

# The Re-calibration of Germany's Russia Policy

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## Abstract

Russia's full-scale invasion of Ukraine that began on 24 February 2022 has shattered Germany's post-Cold War identity and left its Russia policy in ruins. For 30 years, Berlin pursued a strategy aimed at encouraging Russia to be a partner in European affairs. To this end, it invested heavily in dialogue, trade and bilateral co-operation. German policy makers saw no immediate military threat from Russia and drastically reduced military spending. Successive governments viewed Germany's increased dependence on Russian gas as a stabilising factor in Europe since they believed that Russia needed the German market as much as Germany needed the gas. The new German government that came to office in December 2021 was deeply divided on the issue of Russia and struggled to respond to Moscow's build-up of military force on Ukraine's border. However, Chancellor Scholz's *Zeitenwende* speech three days after Russia's invasion signalled an abrupt change of thinking in Berlin, including the need to rapidly re-invest in defence and reduce Germany's dependence on Russian energy supplies. Scholz also pledged strong support for Ukraine although the government initially vacillated over weapons deliveries causing dismay in Kyiv. The brutality of Russia's invasion generated sympathy in German society for Ukraine while leading figures in the Social Democratic Party (SDP) who had promoted expanding the gas relationship admitted that they had misjudged Russia's intentions. The spectacular exodus of German companies from the Russian market after the imposition of western sanctions signalled the end of an era in which Germany had hoped for the best in its relations with Russia but failed to prepare for the worst.

**Key words:** Russia's invasion of Ukraine, Germany's Russia policy, Military spending, Russian gas dependence, *Zeitenwende*

Russia's full-scale invasion of Ukraine, which began on 24 February 2022, marks a turning point in European history, a *Zeitenwende*.

Moscow's use of military force to depose Ukrainian leadership and extinguish the country's independence has brought to a spectacular end the 'post-Cold War era', which began with the promise of a democratic Russia and a European continent at peace with itself. A new label has yet to emerge to describe the new reality in which Germany is one of several Western countries that have imposed unprecedented economic sanctions on Russia while also providing economic and military support to Ukraine to help it continue fighting a war of national survival. Russia sees its military campaign in Ukraine as part of a war with the West to define the limits of Western influence in global affairs and restrict the weight of the United States in the European balance of power. By contrast, Germany and its allies regard their response as a defence of the Helsinki principles of sovereignty, inviolability of borders, and human rights. Moscow accepted these over 30 years ago as the basis for security in a common vision of a Europe 'whole and free'.

Russia's war against Ukraine has shattered Germany's post-Cold War identity and left its Russia policy in ruins. Germany's rapid unification after the collapse of the Berlin Wall in 1989 owed much to the Moscow's decision to disengage from Central Europe and instilled a determination in the German political class to achieve reconciliation with Russia as part of an extension of the European integration process that had allowed Germans to normalise relations with former enemies. Their idealistic goal was the creation of a *Friedensordnung*, a post-modern security order built on peaceful relations rather than power. The main instruments for fashioning the new relationship with Russia were dialogue, trade, and bilateral cooperation. Germany invested heavily in all three areas while re-purposing its armed forces to perform non-combat roles in international crisis management operations. Contributing to NATO's collective defence mission was no longer a priority, as the Alliance's focus shifted to out of area challenges. The underlying assumption of this policy was that Russia accepted Germany's logic that the dark days of power relationships and spheres of influence in Europe belonged to the past in an increasingly globalising world. Increased German dependency on imports of natural gas from Russia were a by-product of such thinking. The gas was cheap, and from Berlin's perspective, larger imports increased mutual dependency, contributing to stable relations. The security of these gas supplies was not considered a problem since Moscow had been a reliable gas supplier to West Germany even during the worst days of the

Cold War. Russia's deliberate reduction of gas deliveries in the summer of 2022 as Germany and its allies stepped up arms deliveries to Ukraine destroyed the illusion that the gas trade could be an effective insurance policy against war. For German policy makers schooled in the thinking of *Nie wieder Krieg* (no more war, ever), the impossible had happened.

At the time of writing, a debate had yet to begin among the German policy elite about the responsibility that Germany bears not just for misreading Russia's intentions but for also for failing to deter it from embarking on a course to dismember the second largest country in Europe. After the annexation of Crimea in 2014, Russian policy makers cannot have failed to note Germany's readiness to make its energy security a hostage to Moscow, as well as the continued hollowing out of its armed forces. The concept of *Wandel durch Annäherung* (Change by Growing Closer) that underpinned Germany's approach to Russia for more than two decades proved counter-productive. Russia did indeed change as closer relations between the two countries took shape, but the features it acquired were increasingly negative as the leadership moved down a path of anti-Western authoritarianism backed by re-discovered imperialist instincts. By the time Russia invaded Ukraine in February 2022, it could be considered a fascist state even if Germans were not inclined to label it as such due to the Soviet role in the defeat of Nazism. However, the brutality of Russia's military operations, including an extraordinary level of violence against Ukrainian civilians, a supposedly 'brotherly people', was deeply shocking for the policy elite and brought accusations of 'genocide' from some quarters (e.g., Beck 2022). Policy makers had persuaded themselves that Germany's hand of friendship had suppressed Russia's violent tendencies so familiar from history. Berlin's failure to heed the multiple warnings of Poland, the Baltic states, and others that Germany's faith in Russia's capacity for positive change was misplaced was a deep source of embarrassment. Germany had not wanted to allow realism to cloud its idealism about Russia.

The coalition of Social Democrats, Greens and Free Democrats that came to power in December 2021 immediately found itself in a highly uncomfortable and challenging situation as Moscow built up its military forces on Ukraine's borders in a menacing show of force. Rattling Western nerves, Moscow issued an ultimatum to NATO countries to discuss a fundamental revision of European security arrangements, including not just the prohibition of further NATO enlargement but also the roll-back of NATO's military presence in Central Europe to the situation before the Alliance's first

enlargement to the region in 1997. The purpose of these unrealistic proposals was for NATO member states to reject them and make Ukraine's efforts to integrate with NATO a 'casus belli' for Russia. Finland, a country that manages its relations with its Russian neighbour with consummate skill, quickly concluded what was at stake for European security. Responding to Moscow's threat of 'serious military and political consequences' if Finland were to join NATO, President Niinistö warned other Western countries of the dangers of appeasing Russia and insisted on Finland's right to decide its own security arrangements (Milne 2022). Berlin remained silent.

The government was deeply divided on the issue of Russia and how to manage relations with it. The SPD was largely wedded to traditional *Ostpolitik* concepts of preserving close relations with Russia despite tensions and remained committed to the controversial Nord Stream 2 pipeline project while the Greens brought a strong human rights' focus to Russia policy and a more sympathetic view of Ukraine. They were opposed to the Nord Stream 2 pipeline on environmental and geopolitical grounds. The Free Democrats were closer to the Greens in their condemnation of the increasing repression in Russia but were divided on the issue of Nord Stream 2.

The growing crisis immediately revealed the government's inexperience and its inability to lead a European response to Russia's increasing pressure. Germany no longer possessed the diplomatic leverage that had allowed it to fashion the Western response to Russia's annexation of Crimea and its destabilisation of south-eastern Ukraine in 2014. Understandably, Chancellor Scholz could not compete with Angela Merkel's mastery of the issues in the 'East'. Annalena Baerbock, the new foreign minister, had not previously served in government and had no specialist knowledge of the region. President Putin had chosen his timing well and his skilful sabre-rattling exposed two deep-seated intrinsically German vulnerabilities that defined the limits of a European response to a Russian invasion. The first of these was Germany's instinctive discomfort with hard power and its lack of capacity for deploying it. The second was Germany's unprocessed history in relation with Ukraine marked by its tendency to feel guilt for Hitler's war crimes on the eastern front, focusing more on Russia rather than Ukraine despite the fact that Ukrainians suffered more than Russians at the hands of the German invaders. This reflex made German policymakers particularly cautious about boosting Ukraine's defences because weapon supplies necessarily meant bringing Germany into indirect military conflict with

Russia. Britain, Poland, the Baltic states, and others had no such hesitation in arming the victim of Russia's aggression.

Germany's hesitation in supplying weapons reinforced suspicions in Kyiv that Germans shared a colonial attitude with Russians about their country, regarding them as people whose fate along with that of other Central European countries can be decided jointly by Berlin and Moscow. Recent history supports this view. The Minsk Agreements that froze the conflict manufactured by Moscow in Donbas' in 2014 to Russia's advantage was heavily influenced by Germany. In the years that followed, Kyiv often felt itself under pressure from Berlin to show flexibility regarding its implementation in the absence of concessions from Moscow. This contributed to its sense that Germany saw Ukraine as *Verhandlungsmasse*, a bargaining chip for settling relations between Europe and Russia.

Seemingly insensitive to understandable Ukrainian fears, the new government caused dismay in Kyiv by not immediately threatening to prohibit the operation of the new Nord Stream 2 gas pipeline if Russia invaded Ukraine. Admittedly, there was no evidence to support Ukrainian suspicions that Scholz might be cut from the same cloth as past SPD *Russlandverteher*. He did not hail from the same group in the SPD as former Chancellor Schröder, President Steinmeier, and former Minister of the Economy and Foreign Minister Sigmar Gabriel. As Mayor of Hamburg (2011–2018), he had kept his distance from his counterparts in the twin city of St Petersburg. However, he did not dissent from the standard SPD line towards Russia and as Vice Chancellor and Finance Minister (2018–2021) was part of the Grand Coalition that backed the Nord Stream 2 project and continued to underfund the armed forces.

The Chancellor and his defence minister, in particular, did not help themselves during the early months in office by their disastrous communication on weapons deliveries to Ukraine. The government's was apparently unable to decide on which weapons Germany would or would not send to Ukraine reflected divisions within both the SPD and the Greens on the issue. Defence Minister Lambrecht's announcement in January 2022 that Germany would supply 5000 helmets as a gesture of solidarity provoked ridicule at home and abroad. Later decisions to supply light weapons and then small amounts of heavy weapons were shrouded in secrecy and confusion as it emerged that the promised weapons would take months to reach Ukraine in some cases. It quickly became clear that the Bundeswehr was desperately short of equipment and that Germany had precious few weapons

systems to give Ukraine in the first place. In addition to the weapons debacle, Scholz appeared unmoved by the destruction and loss of life in Ukraine and showed no urgency to visit Kyiv even after the signal that President Steinmeier was welcome in Ukraine. The Ukrainian government had initially caused offence in Germany by indicating that Steinmeier should not visit because of his perceived record as a *Russlandversteh*er. The Chancellor finally visited Kyiv in June 2022 together with the French and Romanian Presidents and the Italian Prime Minister.

For all Scholz's instinctive caution, his speech to parliament on 27 February 2022 showed genuine boldness and an impressive command of the issues. It has anchored the word *Zeitenwende* in the English language. The reference to the change of an era reflected Germany's understanding of the significance of Putin's decision to go to war with Ukraine. This was not a repeat of 2014 when Russia had wrested Crimea away from Ukraine without firing a shot. Moscow had now triggered the first major military conflict in Europe since 1945. Scholz stated clearly that Putin did not just intend to wipe Ukraine from the map, he was building a Russian empire and destroying the European security order (*Bundesregierung* 2022). The Chancellor stated Germany's unequivocal support for Ukraine and proceeded with a string of announcements that left commentators aghast at the apparent speed of change. The government would immediately invest €100bn in the Bundeswehr and increase defence spending to 2 percent. It would invest in building a new generation of aircraft and tanks together with European partners. It would devote resources to improving its resilience to cyber-attacks and disinformation. It would also invest in two liquefied natural gas terminals to reduce dependency on gas imports from Russia. Putin had seemingly succeeded where President Trump had failed in persuading Germany that it needed both to invest in defence and reduce its gas dependency on Russia.

Scholz went out his way to brand Russia's aggression against Ukraine as "Putin's war," concluding that there was no readiness on Putin's part for real dialogue. While Germany would keep communication channels open to Russia, there would be no talking for the sake of talking. He explained the need to differentiate Putin from the Russian people who had 'not decided in favour of the war' by referring to the historical importance of the reconciliation achieved after 1945 between Germans and Russians. In line with his NATO counterparts after the start of Russia's invasion, Scholz stuck studiously to the message that NATO member states were not at war with Russia

and wished to avoid Russia's war against Ukraine from escalating beyond Ukraine's borders. However, his argumentation in the *Zeitenwende* speech indicated his understanding that Putin was at war with NATO, including Germany. The sanctions measures adopted by Germany and its allies against Russia are unquestionably an instrument of economic war, and Russia views them as such. It is difficult to escape the view that Germany, in view of its history, cannot consider itself to be at war with Russia and thinks of the conflict in Ukraine as a crisis to be managed. With one eye to the *Russland-versteher* and pacifist sentiments in his party, Scholz consistently refused to say that Ukraine must prevail in the war with Russia, limiting himself only to stating that Russia must not win and Ukraine must continue to exist. At the same time, the Chancellor warned repeatedly of the risk of the war escalating and drawing in NATO, alluding in particular to the dangers of nuclear war (Amann and Knobb 2022). This reference was not by chance. For decades, Russian messaging has played on German anti-nuclear sentiments that date back to the controversies over the deployment of US nuclear weapons in West Germany.

Even if an inquest into the failings of Germany's Russia policy had not begun four months into the war, two of its chief authors from the SPD had the humility to admit that they had been wrong. President Steinmeier who had defended Nord Stream to the very end, describing energy relations as "almost the last bridge between Europe and Russia" said simply:

"We held on to bridges that Russia no longer believed in and that our partners warned us about. My holding on to Nord Stream 2 was clearly a mistake" (*Bundespräsident* 2022).

He conceded that he had underestimated Putin's readiness to pay for his 'imperialist delusion' with the "complete economic political and moral ruin" of Russia (Ismar 2022). If these arguments were indisputable, his assertion that "we failed with the project to tie Russia into a common security architecture" (ibid.) was questionable. It pre-supposed that this idea was feasible in the first place, given the fundamental differences between NATO countries and Russia on the nature of security and how to provide it.

Sigmar Gabriel went further by admitting that Germans were wrong in thinking that they knew better than the Eastern European countries how to deal with Moscow based on their *Ostpolitik* experience and that Germany's attitude towards them was arrogant and paternalistic:



“The idea was that stronger links between the German and the Soviet – or Russian – economy would help us more effectively maintain stability and peace in Europe. Then Vladimir Putin arrived, a man who had no interest in economic success and used a different currency, the currency of power. To be honest, we Germans never believed the war in Ukraine would happen, until it did. The success of Germany’s economy and society is founded on successful economic integration and the conviction that the closer the economic ties are, the safer the world will be. That was obviously a gross misjudgement” (Gabriel 2022).

Gabriel also admitted that the previous government’s decision to let the market determine the best source of gas was a mistake and that it should have reduced Germany’s reliance on Russian gas after 2014 (Tagesschau 2022). Robert Habeck, the new Minister for Economic Affairs and Climate Action, reportedly identified a pro-Gazprom lobby in his Ministry previously led by Gabriel that had opposed the construction of LNG terminals. Gabriel admitted that he had personally erred by not listening to the objections of the ‘East Europeans’ to the Nord Stream 2 pipeline, for which he lobbied so vigorously. By contrast, former Chancellor Schröder showed no remorse for his unflinching support for Putin over more than two decades, or for his considerable influence over the two Nord Stream projects. Only in response to a chorus of public condemnation did he step down from his role as chair of the board of the Russian state oil company Rosneft nearly three months after the war had started. Parliament had earlier voted to strip him of his parliamentary privileges. Beforehand, Schröder had given an unapologetic interview to the New York Times in which he defended the policy of increasing Germany’s energy dependency on Russia and predicted that Germany would go back to doing business with Russia after the war as it had done in the past because of its need for raw materials (Bennhold 2022).

Former Chancellor Merkel made her first media appearances in June 2022 six months after leaving office. Clearly shocked by the war in Ukraine, she nevertheless refused to admit any policy mistakes and stood by her earlier decisions to resist granting Ukraine a NATO Membership Action Plan in 2008 as well as her support for the Nord Stream 2 project. She claimed that the project had not increased the risk of the invasion of Ukraine by Russia (ibid.) and did not take responsibility for the decision to bring forward the closure of Germany’s nuclear power plants that led to Germany’s increased dependence on gas imports. She also refused acknowledge that the chronic underfunding of the Bundeswehr during her time in office had weakened



Germany's hand in dealing with Russia. Nonetheless, she observed that despite all her years of dealing with Putin, it had not been possible 'to really bring the Cold War to an end' (Youtube 2022). At the same time, she noted that she had long made it clear to others that Putin hated the West and that his goal was to destroy the EU because he saw it as the 'entry step' to NATO. Nevertheless, she argued that it was Germany's interest to seek a *modus vivendi* with Russia in which the two sides could try to coexist peacefully despite all their differences. She did not believe in the old Ostpolitik mantra of *Wandel durch Handel* (change through trade) but instead in *Wandel durch Verbindung* (change through connectivity) 'with the second largest nuclear power in the world' (Der Spiegel 2022).

The combination of sanctions and Germany's commitment to reduce its reliance on Russian oil and gas imports as soon as possible has led to the bilateral trade relationship unravelling rapidly. Although in June 2022, German companies such as Bayer, Liebherr, and Metro continued to operate in Russia, an overwhelming majority had either scaled back or suspended their activities, with a smaller number announcing that they are leaving the country. The departures included major brands such as Aldi, BASF, Deutsche Bank, Deutsche Telekom., Grohe, and Siemens (Sonnenfeld 2022). The latter had been in the Russian market for nearly 170 years. The exodus of German companies from the Russian market is highly significant since the voice of business was a critical factor in influencing the Russia policy of successive governments and sustaining belief in trade as a stabilising force in relations with Russia. The heads of some of Germany's largest companies regularly praised the Russian government despite the worsening business environment in Russia and increasing tensions with the West.

By the summer of 2022, the war had rendered much of Germany's impressive civil society connectivity and other linkages with Russia lay inactive. Fearful of greater domestic repression, many representatives of Russia's liberal intelligentsia who contributed heavily to these ties were also now outside the country. Another pillar of Germany's relationship with Russia had also disintegrated.

In mid-summer 2022, it is still impossible to predict how long and in what form Russia's war with Ukraine will last and what the outcome will be, however, it is clear that Europe has already entered a new phase of confrontation with Russia that could last decades and significantly alter the balance of power on the continent if the EU meets its commitment to wean itself off Russian oil and gas and NATO countries, bolstered by Swedish and

Finnish accession, re-invest in defence. Germany will need time to find its feet in this rapidly changing situation that will force it both to re-assess its approach to Russia and pay greater respect to its allies who demonstrated a far better understanding of Moscow's intentions. US-China tensions and German concerns about the future access of German exports to the Chinese market, as well as the possible re-election of Donald Trump as US President, will make the coming years especially challenging for German diplomacy. Hopefully, there will be an opportunity for Germany to play a leading role both in the reconstruction of post-war Ukraine as well as in the process of preparing Ukraine for eventual EU accession. In this scenario, Ukraine will become the key focus of Germany's engagement in its 'east'. An opinion poll conducted in June 2022 indicated that Germans believed by a factor of 2:1 that peace in cooperation Russia was no longer possible and that Europe must stand up to Putin. At the same time, there were signs of increasing support for Ukraine joining NATO and overwhelming backing for Ukraine joining the EU (Petersen 2022). There is little doubt that the hundreds of thousands of Ukrainians who fled to Germany in the early months of the war contributed to changing perceptions of their country that had previously been framed by Russian propaganda as 'nationalist' and 'neo-Nazi', terms that left many Germans cold towards Ukraine.

For the foreseeable future, Russia is likely to continue deploying a variety of tools to divide the West and break its influence on global affairs. Germany will be a major target for this effort and will need to build much more resilience to guard against Russian attempts to manipulate public opinion, undermine its government, and destabilise its political system. At the same time, Russia's economy will continue to suffer from the twin pressures of a harsh sanctions regime that is likely to stay in place for many years and a declining market for hydrocarbons. Sanctions will starve Russia of a range of Western technologies and know-how, making any replacement difficult. Poverty and inequality will worsen, and the transfer of power from Putin to his successor may have the potential to de-stabilise Russia internally with powerful effects on its neighbourhood. Calibrating the pressure on Moscow to revise its policies and neutralise the military threat to its neighbours without causing a breakdown of authority will present a serious challenge to Western policymakers.

Scholz has spoken of an 'ice age' (Kubina 2022) in relations with Russia, as well as Russia's war against Ukraine being a 'caesura' for German diplomacy. Future historians may debate whether the 'caesura' was in fact

the preceding three decades that separated two eras of confrontation during which Germany flirted with the vision of a reforming Russia that would bring peace and stability to Europe.

Tragically for Ukraine, German policy makers were unprepared for the alternative scenario of a Russia bent on re-shaping the European security system through war rather than reforms at home.

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