# Germany's withdrawal symptoms

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The euro crisis seems to have revealed a more inward-looking and nationalistic Germany. But this shift is both more subtle and not as recent as it appears.

Germany feels misunderstood. It has come under increasing criticism since the extent of Greece's budget deficit became clear earlier this year. Chancellor Merkel's initial reluctance to bail out Greece, and subsequent insistence on tough rescue terms, made it seem that Germany was putting its interests before Europe's.

In Berlin, however, you hear a different view: the Greeks broke the rules agreed when the euro was created, and changing those rules now will damage the currency in the long term. In many of the conversations I have had with German politicians and officials, a defensive tone quickly emerges. They suggest, without quite saying it, that the rest of Europe is picking on them for pursuing their own interests, even though others like Greece are doing so more blatantly. Moreover, Germans feel that they alone are thinking about the long-term future of the eurozone. It seems like a no-win situation: damned if they act and damned if they don't. "We are leading, but not in the way others want us to," one senior German government official told me.

Elsewhere in Europe, the Greek crisis is seen to have highlighted an alarming shift in German foreign policy, which has become far more sensitive to domestic opinion. Bild, the nation's bestselling newspaper, compared Angela Merkel to Bismarck after she rejected a bailout in March, and declared that the Germans were "Europe's fools" after the EU agreed a €750bn rescue package in May. Some people see echoes of a German power politics that they hoped was a thing of the past. According to Le Monde, President Sarkozy told a friend that the Germans "haven't changed" as much as we thought.

A complex shift is taking place in German foreign policy. But it actually began much earlier, during the "red-green" government of Gerhard Schröder, who promised to defend German interests in Europe when he was first elected in 1998. "Chancellor Schröder talked more bluntly, more directly and more loudly about German interests in Europe than his predecessors," says Reinhard Bütikofer, an MEP and former leader of the German Green party. Bütikofer was outraged by the "frighteningly chauvinist tone" of the government during the Greek crisis, but even he thinks that Germany should be able to talk more openly about its national interests than it used to. "It is just a matter of saying how things are," he says.

By the end of his first term, Schröder was prepared to say that Germany's interests could diverge not just from those of Europe, but also from those of the US. In the summer of 2002, he based his re-election campaign on the concept of a Deutscher Weg, or "German way"—in contrast to the "American way." In the context of postwar German foreign policy, such a nationalist and anti-American slogan was unprecedented. But amid resentment about the looming US-led invasion of Iraq, it was a vote winner. When Merkel became chancellor in 2005, many expected her to reverse this shift initiated by Schröder. But although she has softened the rhetoric, little has changed in

practice. “I was surprised at how Merkel followed Schröder’s line,” says Gunther Hellmann, an international relations professor at Frankfurt University.

For Hellmann, the best example of this continuity between Schröder and Merkel is Germany’s campaign for a permanent seat on the UN security council—what he calls the “modern-day version of a ‘place in the sun.’” (This is a reference to Bismarck’s demand for a German empire in Africa at the end of the 19th century.) In 1992, Helmut Kohl made the first request for a permanent German (as opposed to EU) seat on the security council. But it was only under Schröder that it began to pursue the policy, which has continued under Merkel’s leadership.

Yet the suggestion that Germany is now following its own national interests misses the point. It is predicated on a myth—ironically one that the Germans themselves did much to create—that the old Federal Republic of West Germany was in some way selfless. In truth, West Germany always pursued its national interests. It was just that in the days of the Bonn Republic, those interests frequently coincided with those of Europe as a whole, and of other allies such as the US. In particular, the European Economic Community was based on the perfect fit between the needs of German industry and French agriculture. By co-operating with France, Germany was able to ensure that the EU’s institutions were based on its own—the European Central Bank, for example, was based on the Bundesbank—and that its policies reflected its own interests.

On foreign policy, the main German political parties are largely in agreement: only the Greens unequivocally supported the idea of bailing out Greece, for example. But what exactly is this new consensus? The comparison by Bild of Merkel with Bismarck notwithstanding, Germany is hardly reverting to the bellicose, expansionist foreign policy of the 19th century. In fact, part of the reason for the perception gap between Germany and the rest of Europe is that Germans are convinced they have learned the right lessons from their history. If Germany is becoming more nationalist, it is in a different way than in the past.

The real question is not whether Germany is pursuing its national interests more than it used to, but whether it is defining its national interests differently. The Federal Republic had traditionally been understood as a “civilian power,” one that, unlike a “great power,” used multilateral institutions and economic co-operation rather than military force to achieve its foreign policy goals, and thus helped to civilise the world by strengthening international norms. Hanns W Maull of Trier University, who coined the term “civilian power” for the Federal Republic, says this idea is losing traction and is being replaced by what he calls “defensive nationalism”: a policy of doing everything possible to protect prosperity and resist change or risk.

Perhaps the biggest break with Germany’s identity as a civilian power has been the weakening of its traditional multilateralism. In the past, the Federal Republic’s multilateralism was, as Timothy Garton Ash has said, “attritional”—in other words, it was a way to achieve its foreign policy objectives, above all sovereignty and reunification. This approach was so successful that over the years it became a kind of reflex for the German establishment. During the last decade, however, there has been a shift to a more contingent multilateralism. The most dramatic break came under Schröder, who declared that Germany would not support the Iraq war regardless of what the UN security council decided, and who pursued a “special relationship” with Russia

that undermined the EU. “There are now very few instinctive multilateralists in the German elite,” says Jan Techau, an associate fellow at the Nato Defence College in Rome.

The most striking recent example was Foreign Minister Guido Westerwelle’s call to remove US nuclear weapons from Germany earlier this year. Westerwelle could have worked quietly within the North Atlantic Council, Nato’s decision-making body, to get such weapons removed, as other countries such as Greece have done. Instead, he chose to make the demand publicly, apparently in order to win points with German voters. That this populist approach came from the leader of the Free Democrats, the party of Helmut Kohl’s liberal foreign minister Hans-Dietrich Genscher, shows the extent to which foreign policy has changed. It also illustrates what Sebastian Harnisch has called the “domestication” of German foreign policy: whereas in the past the elite tended to take big decisions (for example joining the euro) with little reference to public opinion, foreign policy is now increasingly being made for domestic consumption.

As Merkel’s response to the Greek crisis illustrates, Germany’s commitment to European integration has also weakened. According to Willie Paterson, honorary professor of European and German politics at Aston University, Germany is losing its “European vocation.” This shift has now also been formalised by the country’s constitutional court, which last year approved the Lisbon treaty but also imposed limits on the further transfer of sovereignty to Brussels in a long list of policy areas—including fiscal policy. According to Reinhard Bütikofer, the effect of the ruling by Germany’s highest court has been to make Euroscepticism the dominant mood in its politics. In fact, part of the reason that Merkel delayed the Greek bailout until the last possible moment, even though it ultimately cost more, was to prevent the court overruling it.

These changes reflect a deeper structural shift in Germany’s role in the world. Put simply, it no longer needs multilateral institutions in the way it used to. For example, it needs Nato much less than it did during the cold war, when West Germany was dependent on the alliance for its security. Similarly, although Germany’s export economy still needs European markets, its trade is increasingly with markets outside the EU. And now it has achieved reunification, European integration is not the existential imperative it used to be. Germany is less constrained than it used to be, and this new freedom means that, in future, it is likely to operate through multilateral institutions when it suits it to do so, and bilaterally when it does not. Germany’s relationship with France was once the “motor” of European integration, but enlargement has made it harder for Germany to co-ordinate EU policy with France and increased the temptation to cut bilateral deals with other powers instead, which in turn further undermines the EU.

Perhaps the most important example of this is Germany’s special relationship with Russia, which is largely based on Germany’s need for Russian gas. Once again, this element of the new German foreign policy began under Schröder, who cut a deal with Vladimir Putin to build the Nord Stream Baltic sea gas pipeline in 2005 and subsequently joined the consortium’s board. It has continued under Merkel. While others in Europe complain that Germany’s relationship with Russia undermines attempts to agree a common European policy towards the country, particularly on

energy, German officials say they are simply responding to the failure of Europe to agree a “comprehensive” policy on Russia.

However, although Germany is less constrained than it used to be in geopolitical terms, it is more constrained in economic terms. Since reunification, Germany is bigger but also older and poorer. This has put its politicians under enormous pressure to protect the social market economy from globalisation (this, in fact, is partly what Schröder was referring to when he talked about a “German way”). This is also part of the reason for the gap in perceptions. From the outside, Germany looks strong; from the inside, it feels fragile. “Germany doesn’t feel as strongly predisposed to leadership as others think it should be,” says the senior government official.

The result is that the economy seems to be playing an even greater role in determining German foreign policy than it used to. Here, again, there is a danger of retrospectively romanticising the foreign policy of the old Federal Republic. The economy was always important—in fact, it was the only way that, as a semi-sovereign demilitarised state, it could exercise power. Furthermore, West Germany’s identity as a trading state was a key element of its identity as a civilian power. However, the Bonn Republic’s economic interests were to an extent balanced by political imperatives that have weakened. Germany is now defining its national interests more in terms of its economic needs and exports. Thus it has refused to address the problem of its huge trade surpluses with other EU member states, which has created tension with France.

As Germany becomes more selective in its multilateralism and increasingly puts its economy first, it may simply be becoming more “normal.” Certainly German politicians often use this argument to justify their foreign policy choices—in fact, “normalisation” has been the most over-used term of the Berlin Republic. The problem, of course, is that it is hard if not impossible to define “normality.” After all, in other ways, Germany remains “abnormal.” The best example of this is its ongoing reluctance to engage in military operations.

In this respect, Germany looks very different from the way it did a decade ago. When Germany agreed to send four Tornado aircraft on sorties as part of the Nato military intervention in Kosovo in spring 1999, it was the first time that it had sent troops into combat since the second world war. After a decade of tortuous debates, mainly on the left, which feared a “remilitarisation” of foreign policy, it seemed that Germany had completed its shift away from the chequebook diplomacy it still practised at the time of the 1991 Gulf war and reconciled itself to the use of military force. Foreign minister Joschka Fischer played a key role by convincing the left that the principle of “Never again Auschwitz” should take precedence over “Never again war.” About 6,700 German troops are involved in various international missions as a result.

But in the last decade, German attitudes towards the use of military force appear to have changed again. Immediately after 11th September, Germany committed to sending 3,600 troops to Afghanistan as part of the ISAF operation. For a long time, Germans told themselves that their troops—who were stationed in the relatively peaceful north of Afghanistan and operated under strict caveats that minimised casualties—were engaged simply in a “stabilisation operation.” Even then, they were unwilling to send extra troops when President Obama asked them to. However, last September a German colonel ordered a US air strike in Kunduz that killed dozens of civilians and then, in

April, seven German soldiers were killed. Germans have now realised they are fighting a war and public opinion has turned dramatically against the mission.

In fact, it seems that Germans are once again becoming opposed to the use of military force under almost any circumstances. This no doubt partly reflects genuine anti-war convictions. However, it also reflects a reluctance to face difficult global issues and spend money on defence at a time when resources are stretched. “Germans don’t like the mission in Afghanistan but they also don’t see it as important,” says Jan Techau. In June, Merkel announced plans to cut defence spending (only 1.3 per cent of GDP) by €2bn by 2013.

Rather than making tough decisions on the threats the world has faced since 9/11, Germany has become more inward-looking—the German philosopher Jürgen Habermas recently spoke of a “solipsistic mindset.” But once again there is a perception gap. While others in Europe see Germany as a free rider in terms of security, Germany sees itself as a fundamentally peaceful, “post-heroic” country that is no longer interested in power projection. “Re-education worked!” says Hans-Ulrich Klose, a veteran Social Democrat and now foreign ministry co-ordinator on German-American relations.

It was against this background that the German president Horst Köhler suggested, in an interview in May, that the Bundeswehr could be deployed to protect Germany’s economic interests. “A country of our size, with its focus on exports and thus reliance on foreign trade, must be aware that military deployments are necessary in an emergency to protect our interests, for example when it comes to trade routes or preventing regional instabilities that could negatively influence our trade, jobs and incomes,” he said. Köhler apparently thought that this appeal to the country’s economic interests might help overcome the public’s growing insularity. However, after being criticised for his remarks, he resigned—the first time since 1969 that a German president had done so. The controversy illustrated perfectly the contradiction at the centre of the new German foreign policy.

Perhaps the most interesting example of this policy in action is Germany’s approach to Iran’s nuclear programme. It is above all China and Russia that have made it so hard to impose tougher sanctions on Iran. But there has also been a perception that Germany was reluctant to confront Iran because of the economic ties between the countries. (German exports to Iran have declined in recent years but it is still the largest western exporter to Iran and the third largest overall.) German officials deny they have been a drag on international action against Iran, and, earlier this year, Merkel said she would support tougher sanctions. But it would be hard to claim that Germany has led Europe on attempts to get tougher sanctions, even though it has more leverage over Iran than any other European country.

Although the Iranian regime is probably the world’s most openly antisemitic since the second world war, there has also been almost no suggestion that Germany might have a special responsibility to prevent it acquiring nuclear weapons. It is striking how little the Holocaust—the dominant collective memory in public discourse in Germany since at least the 1980s—has figured in the discussion about Iran. This represents a major change from the debate about the Kosovo war in 1999. Merkel has spoken with conviction about Germany’s special responsibility towards Israel. And yet she does not seem able or willing to translate this into action on Iran.

The case of Iran illustrates more generally the way the Nazi past has ceased to play a major role in German foreign policy except in relations with Israel. A certain amnesia has also been evident in the debate in Germany about the euro crisis. For a long time, Germany's commitment to European integration was based in part on a recognition of responsibility for the second world war. Moreover, the euro was created in the context of German reunification—the Federal Republic's most important foreign policy goal for the first 40 years of its existence. Yet this historical context has been largely absent from the discussion about the euro crisis. In an article for the Süddeutsche Zeitung in March, Joschka Fischer bemoaned the "decline in historical awareness" in Germany. In the end, this may be the most profound element of the shift that is taking place in Germany's relationship with the world.