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# A New Ostpolitik? Priorities and Realities of Germany's EU Council Presidency

Back in July 2006, long before Germany was to take over the presidency of the EU, the Foreign Office under Minister Frank-Walter Steinmeier (SPD) gave first indications about the Eastern Europe policy input of his country's presidency. The plan was for a *Neue Ostpolitik* with three emphases: a "European Neighborhood Policy Plus"; a realignment of European-Russian relations on the basis of a renegotiated "Partnership and Cooperation Agreement" (PCA) between the Russian Federation and the European Union, currently due to expire in November 2007; and a strategy for Central Asia.<sup>1</sup>

In the tradition of Willy Brandt

The reasons behind the Foreign Office's advocacy of a *Neue Ostpolitik* are intimately linked with German history. The onuses of World War II constituted a historical responsibility for postwar Germany to shape European policy toward Eastern Europe. On December 7 1970, the famous image of Willy Brandt falling to his knees at the monument to the Warsaw Ghetto not only represented an important step toward reconciliation for the crimes of the Nazi regime, but also heralded a period of warming relations and cooperation between Eastern and Western Europe. An important goal of Brandt's *Ostpolitik* was to make the relationship between the two German states more transparent, without throwing their very existence into question. Brandt's concept aspired to achieve "change through rapprochement." Components of this policy toward the East included revoking the Hallstein doctrine, recognizing the Oder-Neisse line as the border between Germany and Poland, and the signing of the Eastern Treaties.

Great expectations

Combined with Germany's historical responsibility, personal and economic contacts with the Eastern European capitals, including Moscow, have always been especially intensive. Against this backdrop there were great expectations in Eastern Europe, and among the new EU members from Eastern Central Europe, that Germany would use its presidency of the EU for new Eastern European policy initiatives on the European level.

While the term *Neue Ostpolitik* picked up at least on the lexical roots of Social Democratic tradition, the Foreign Office also intended this broader geographical approach to increase the European Union's capacity to create and execute policy on Eastern Europe. The *Neue Ostpolitik* was supposed to be implemented during the German presidency with the following emphases.

### 1. The Goals of Germany's EU Presidency

European Neighborhood  
Policy Plus

The "European Neighborhood Policy" (ENP) passed in 2004 is supposed to link states bordering the EU more closely to the Union. In the past this approach has suffered from an insufficient differentiation between the Union's southern and the eastern neighbors. The strategic goal of the ENP Plus was thus to implement a more attractive and more realistic policy, to encourage security and stability in the countries bordering on the EU. In contrast to the concept of the European Commission, which covers all of the neighboring states of Eastern Europe as well as the countries of the Mediterranean, the Foreign Office's concept concentrates on Moldova, Ukraine and – under the premise of a future democratic transformation – Belarus, as well as on the states of the southern Caucasus, Georgia, Armenia and Azerbaijan.

One of the most important points of the new strategy is the question as to how part of the *Acquis Communautaire* can be applied to the ENP states, especially those sections which deal with overlapping interests, for instance the single European market,

energy, traffic, justice and interior affairs. Above and beyond this, the strategy also proposes a coordinated expansion of institutional cooperation. The ENP states are to be integrated into the decision making processes of the European Union in certain areas. Other institutions of regional cooperation, such as the Black Sea Initiative, for instance, or the “Community of Democratic Choice ” founded by Ukraine and Georgia after their “rainbow revolutions,” are to be integrated into the ENP Plus. The draft calls for a new institutional orientation; the internal difficulties of European integration mean that EU membership itself remains unattainable for the foreseeable future. The Foreign Office further proposed readjusting the distribution of the funds available to the ENP, 70 percent of which currently flow to the Mediterranean and only 30 percent to the Eastern European neighbors.<sup>2</sup> Not only individual EU member states, but also international financial organizations are supposed to make additional contributions to the budget of the ENP. The strategy further recommends a “Partnership for Modernization” for Eastern Europe.

Concentration on neighbors to the East

The second pillar of the *Ostpolitik* agenda of the German EU presidency constitutes a strategic partnership with Russia. In contrast to the previous government under Chancellor Gerhard Schröder, “Russia First” is no longer the priority of German policy to the East. Chancellor Angela Merkel is pursuing a balanced approach: On the one hand, there is good personal contact with Russia’s President Vladimir Putin; on the other, the interests and concerns of the Central and Eastern European states are taken seriously. To a certain degree, Frank-Walter Steinmeier, who was chief of staff at the Chancellor’s Office during the administration of Gerhard Schröder, continues to pursue the approach of the former government. For the Foreign Office Russia remains an important partner for shared interests in the areas of energy and security. One priority of Steinmeier’s *Neue Ostpolitik* is the principle of “change by linkage building.”<sup>3</sup> The direct and purposeful expansion of mutual dependencies is supposed to make Russia a reliable partner for cooperation in energy and security policy in the long term.

Partnership and cooperation with Russia in the European context

The Foreign Minister’s visit to all five Central Asian states in November 2006 set a signal for Europe’s presence in Central Asia. The goal of German foreign policy is to become involved more intensively in the region and to build a bridge between Europe and Asia. In comparison to Russia and the U.S., the EU is strategically under-represented in Central Asia. German and European interests converge strongly here, including the needs to accompany the process of transformation to democracy, support good government, implement the principles of the rule of law and human rights, guarantee energy security, and eliminate a broad spectrum of *hard* and *soft* security risks. The political steps especially emphasized by Foreign Minister Frank-Walter Steinmeier include an EU agency for stability in Central Asia, a European education initiative, a regular dialog on human rights, cooperation on environmental problems, and an initiative on the rule of law. As the only EU member with diplomatic representatives in all five Central Asian states, Germany advocates strengthening a European consciousness for Central Asia, for instance by instituting a regular political dialog and by opening up delegations of the European Commission. Support for market economic structures, free trade and investment are among Germany’s objectives.

Central Asia: a new strategic challenge

## 2. A Critical Appraisal

The balance of the Eastern policy successes of Germany’s EU presidency must be taken from various perspectives: Successes on the European level, developments in the region itself, and the distribution of domestic policy weights in Germany.

European reaction to  
the ENP Plus

In part as a response to the German proposal for an ENP Plus, the European Commission presented a strategy paper on December 4 2006, entitled “Strengthening the European Neighborhood Policy.”<sup>4</sup> This approach picks up on the Berlin proposal’s ideas for reforming its “Neighborhood Policy,” such as easing travel restrictions through simplified regulations for labor migration and issuing visas, an expansion of the political dialog, support for cooperation in the Black Sea region and the acquisition of additional financing from individual EU member states and international financial organizations. Nevertheless, the Commission’s draft does not fall in line with the German concept of orienting the ENP more strongly toward Eastern Europe. Neither does it include any new institutional relationship with the bordering states. On the one hand, this immediate reaction by the European Commission to the German government’s initiative makes clear that Germany is taken seriously as a player in European *Ostpolitik*. At the same time, however, the paper aimed to keep any initiatives during Germany’s presidency within a calculated framework, and to avoid sensitive points, like shifting the priority of the Neighborhood Policy toward Eastern Europe.

No new emphasis  
on the East

Accordingly, the German presidency of the EU was able to do little more than embrace the Commission’s strategy paper in its final session on 21 June.<sup>5</sup> Despite the considerations circulating in the Foreign Office prior to the presidency, no public initiative was launched by Germany. For this reason, too, the results fell short of the expectations of states like Poland and Ukraine, that the German presidency would lead the way for the eastern ENP countries toward closer integration with Europe, and in so doing deliberately shift the internal balance of the EU.

Step-by-step progress  
for Ukraine

Despite the stagnating progress of its transformation, Ukraine, in particular, can be content with Germany’s EU presidency nonetheless. Although the prospects for membership remain uncertain, negotiations on a deepened cooperation pact have begun. The Commission announced a substantial increase in funds for Ukraine, and on June 18 the EU and Ukraine signed a pact to simplify their visa policies.<sup>6</sup> Above and beyond this, the agreement the EU presidency negotiated on the conflict surrounding the European constitution constitutes an important prerequisite for the resumption of the discussion about new rounds of expansion.

Blocked negotiations  
with Russia

European-Russian relations, the second pillar of the *Neue Ostpolitik*, have arrived at a complicated phase – through no fault of the EU presidency. The cessation of Russian oil deliveries to Belarus in early 2007, Putin’s speech at the Munich Security Conference<sup>7</sup> and the conflict between Russia, the U.S. and individual European states about missile defenses have left their marks, both direct and indirect, on Russian-European relations. Even so there were high expectations for the summit meeting between the Russian Federation and the European Union on May 18 2007 in Samara, Russia. Long before, Moscow and Brussels had signaled their willingness to negotiate a new comprehensive agreement.<sup>8</sup> The basis for this agreement was supposed to be the “Partnership and Cooperation Agreement” signed in 1997 for a period of ten years, which expires at the end of 2007. As in the reform of Neighborhood Policy, the German presidency of the European Council was supposed to play an important role. The reality was quite different. The greatest success of the summit was that it took place at all. Media assessments spoke of an open conflict between Russian President Putin and Chancellor Merkel, tempestuous turmoil, and an exchange of blows. Merkel criticized Russia for arresting demonstrators, Putin countered by pointing to German raids against G8 opponents.<sup>9</sup> The participants of the summit were not able to agree on joint declarations, let alone a renegotiation of the partnership and cooperation agreement.

Behind the open confrontations was a growing dispute about differences between the European Union and Russia on values, fueled further by the Russian embargo against Polish meat exports, as well as the conflict about moving the Soviet war memorial in Tallinn and the Lithuanian-Russian disputes about the Mazeikiu Nafta refinery.<sup>10</sup> The Russian embargo against Polish meat deliveries prompted the Polish government to veto renegotiating the PCA at the EU-Russia summit on November 24 2006 in Helsinki, and to block relations to Russia ever since.

The frank words at the summit made the challenges and problems of European-Russian relations clearer than ever. It would be incorrect to speak of a collapse in European-Russian relations, or even a return of the Cold War. The primary evidence to the contrary is the intensive integration between Russia and individual member states of the European Union. Nevertheless, the German presidency of the EU cannot look back on any successes in negotiating the European relations with Russia. This can be traced back in part to the development of domestic policy in Russia, which Putin's concept of "sovereign democracy" is pushing ever further away from the European value system. Then again, EU member states are finding it increasingly difficult to agree on a common position in Russia policy, so that relations to the Kremlin take their course bilaterally, guided by the interests at hand.

The Samara summit an open dialog

The greatest success in *Ostpolitik* achieved during Germany's presidency of the EU is the adoption of a European strategy for Central Asia at the summit in Brussels on June 21.<sup>11</sup> The strategy builds on both bilateral and regional cooperation. In addition to the promotion of human rights and the rule of law, economic development and assistance in the creation of a free energy market, further important roles are played by education initiatives, water and resource management, as well as help in expanding border management.<sup>12</sup>

Successes of the Central Asian strategy

Even before it assumed the EU presidency, the German government had done a great deal to emphasize Europe's interest in the region. In November 2006, for instance, the Foreign Minister visited all five Central Asian states, advocating the relaxation of sanctions against Uzbekistan, the country with the largest population, in order to create the prerequisites for an intensified dialog. In March 2007 the EU Troika met for the first time with representatives of all five Central Asian states. Now that the strategy has been adopted, however, it remains to be seen whether the mere fact that European interests in Central Asia are increasing will be enough to guarantee success in attuning the strategy's goals with the Kremlin's influential position in the region.<sup>13</sup>

Over the course of the Orange Revolution, Ukraine had made important progress along the path to convergence with the European Union. Consequently there was great pressure from European institutions and individual capitals, above all Warsaw and Berlin, to offer Ukraine a perspective in the European Union. While the Ukrainian parliamentary elections on March 26 2006 fulfilled the criteria for free and fair elections, the resulting domestic crisis brought the country to the brink of political incapacity. Since the Orange Revolution the country has succeeded in constructing neither unity about a program for reform, nor a government that will remain functional in the medium term. European pressure to continue developing the ENP has dropped off in keeping with the regressive steps away from reform.

Ukraine: stagnating transformation

Another factor that has changed is the domestic political situation in Russia. A transformation to democracy and a market economy under President Putin is even harder

Russia: authoritarian course

to recognize than it was under Yeltsin's presidency. A decade ago there was at least the utopia of a seamless development toward a market-based democracy, despite the fact that it often yielded to chaos and a lack of constructive ideas amid the vicissitudes of the everyday transformation in Russia. This utopia has been largely replaced by the vision of Russia as a global player, based on its gas and oil reserves. Democracy in the Western sense has yielded to Putin's concept of "sovereign democracy." All of this makes for a partnership with Russia that is no less as difficult than it is important.

Building up European alliances

As the current arguments about a European constitution illustrate, not to mention the situation of blocked renegotiations of the PCA with Russia, in the Union of 27 national interests are increasingly coming to the fore, even running the risk of maneuvering the organization into a cul de sac. At the same time, however, this opens up new possibilities for building alliances between EU member states and increases the instigatory function of the EU presidency.<sup>14</sup>

The challenges of the Great Coalition

But actions of the German EU presidency were also subject to the parameters of the Great Coalition of Social Democrats and Christian Democrats. *Ostpolitik* is an area in which, historically, these two parties have set particularly divergent priorities and signals.<sup>15</sup> The original impulse for a Neue Ostpolitik came from the Foreign Office and was launched by Foreign Minister Frank-Walter Steinmeier in an unusual format directly to the media.<sup>16</sup> The Chancellor's Office distanced itself from the Foreign Office, however, by attempting to avoid evoking the impression of a "Russia first" approach and steering its priorities toward Central and Eastern Europe instead. In terms of policy to the East, the German government did not act en bloc, which limited its capacity to act in some instances.

### 3. Conclusion

Disappointed expectations

The high expectations the initiatives for a Neue Ostpolitik raised in the public, and especially in the region itself, long before Germany assumed the EU presidency, could not be fulfilled during its term. For instance, Berlin did not succeed in having its term as EU president remembered for a new PCA negotiated between Russia and the European Union. Its greatest success was the adoption of the European Central Asia strategy. However, during Germany's presidency a trend emerged, suggesting that the European Union's policy toward the East will be possible only through the involvement of the "alliance of skeptics." The success of further priorities of Germany's presidency, such as a European strategy for Central Asia, for the Black Sea region, and for the European Neighborhood policy, presupposed cooperation with Russia in the well-understood interest of the Union itself. The future development of European integration will be of key importance in this, as will the establishment of democracy in Russia.

## Endnotes

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