German Chancellor Merkel visits Russia, Asia as criticism of foreign policy grows

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19 July 2010

Last week, Chancellor Angela Merkel (Christian Democratic Union, CDU) visited Russia with a large government and business delegation. A joint German-Russian cabinet meeting was held in Ekaterinburg, in the Urals. In addition, extensive economic projects were discussed and business contracts signed. Other stops on the tour include China and Kazakhstan.

Merkel's trip to Asia has been overshadowed by fierce criticism of her foreign policy. Even before she left Berlin, there were accusations that her government was neglecting the relationship with Russia.

In an interview with the *Berliner Zeitung*, the Russia expert at the German Council on Foreign Relations, Stefan Meister, said that since the CDU-led coalition with the Christian Social Union (CSU) and Free Democratic Party (FDP) had taken over the government, "Russia has slipped down the list of priorities of German foreign policy". Meister said that a "Russia concept" by Foreign Minister Guido Westerwelle (FDP) was impossible to detect, and this was "not good".

The chief correspondent of *Der Spiegel* in Moscow, Matthias Schepp, was also unenthusiastic about the state of German-Russian relations. He said FDP ministers Westerwelle and Rainer Brüderle were regarded as lightweights in the Kremlin, and in the meantime, France, Italy and the USA had challenged Germany's leading position that it had held for a long time in relation to Russia. The reason primarily lay with the federal government, where there was no one who "feels really responsible for Russia".

According to Schepp, company representatives for Russian subsidiaries of German corporations have also been complaining loudly for a long time "about the lack of political support from Berlin". Germany was retreating, while Russian-French trade had risen by 250 percent, despite the financial crisis.

The report in *Der Spiegel* cites the following facts: the French energy giant GDF Suez has acquired a nine percent share in the Baltic Sea pipeline from the German corporations Wintershall and EON-Ruhrgas, and the French nuclear industry is clearly outstripping Germany's. While the Russian Agency for Atomic Energy (Rosatom) has just signed an agreement with the French company EDF, collaboration between Siemens and Rosatom was stagnating.

Ex-Chancellor Gerhard Schröder (Social Democratic Party, SPD) has excoriated the Merkel government for its "lack of ideas" for some time, calling for the EU to conclude an association agreement with Russia, to survive against the power centres of the USA and China.

In an article in *Die Welt*, he wrote that Russia was important for Germany and Europe for two reasons. First, Europeans needed "direct access to the huge Russian natural resources", and secondly, "stability and security" could only be guaranteed in Europe through the "closest possible partnership with Russia".

Under the pressure of these comments, and in light of the economic and political effects of the financial crisis—which are rapidly dividing Germany and the United States—the Merkel government is using the Asia trip to strengthen German-Russian relations and make up lost ground.

To this end, Merkel assembled a delegation including not only German business leaders, but also representatives of all the political factions in the Bundestag (parliament). Moreover, for the first time, the German Trade Union Association (DGB) head Michael Sommer was part of the Chancellor's retinue.

The Left Party is represented in Merkel's delegation by André Brie, who is also a member of the German Steering Committee of the Petersburg Dialogue group, which met on Thursday for the tenth time in Ekaterinburg. This body was established in 2001 by former Chancellor Gerhard Schröder and former Russian President Vladimir Putin. This year's patrons of the discussion forum, which aims to promote relations between Germany and Russia, are Chancellor Merkel and Russian President Medvedev.

The Left Party is offering itself as an auxiliary support for a new foreign policy orientation towards Moscow. As well as André Brie, other Left Party officials rose within the Institute for International Relations (IIB), the main foreign policy training facility of the German Democratic Republic (GDR, former East Germany), and enjoy many years of good relations with Russia.

The increased focus on Russia is linked to specific economic interests and lucrative large-scale contracts. Some 25 business leaders form the core of the German delegation, including Tom Enders (Airbus), Peter Löscher (Siemens), Johannes Teyssen

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(Eon) and Martin Winterkorn (VW).

The business press (*FAZ*, *Handelsblatt* and *Wirtschaftwoche*) has described these major contracts and commercial interests in detail: the goal of the German companies is to win a large proportion of the contracts for updating ailing energy networks, restructuring inefficient industries and renovating old housing stock. Siemens and the German Energy Agency (Dena), in cooperation with the city of Ekaterinburg, have opened an office for efficient construction and renovation. Medvedev announced a "modernization alliance" with the EU, in which Germany would play "a central role".

There was no shortage of expressions of support between Merkel and Medvedev during the consultations, and German companies were able to secure several large orders. In the coming years, Siemens will deliver 220 regional trains worth €2.4 billion and modernize marshalling yards at a cost of €600 million; Airbus will supply planes valued at two billion euros. However, this did not silence many business leaders' complaints.

Klaus Mangold, chair of the Eastern Committee of German Business, let it be known that many of these contracts "did not come about due to the policies of the federal government, but despite them".

German Council on Foreign Relations expert Meister mourns the fact Frank Walter Steinmeier (SPD) is no longer foreign minister, who had invented the concept of a "modernization partnership". He told *Der Spiegel*, "Previously, the foreign ministry had set the tone in German-Russian relations. But Westerwelle lacks the right feeling for Russia".

Along with big business, sections of the political elite are also pushing for closer cooperation with Russia on security policy. In a commentary in the *Süddeutsche Zeitung* last week, former German Defence Minister Volker Rühe (CDU) and Russian Ambassador Dmitry Rogozin advocated NATO membership for Russia, a call also contained in a strategy paper issued in June, following a Berlin seminar held by the Federal Academy for Security Policy.

However, closer cooperation along the Berlin-Moscow axis is not without controversy. Last week, former German foreign minister and Vice Chancellor Joschka Fischer (Alliance 90/Green Party) spoke out in a commentary in the *Süddeutsche Zeitung*, attacking Merkel from the opposite point of view. He accused her of criminally neglecting cooperation with Turkey, and thus of harming Germany's strategic interests.

Turkey, according to Fischer, found itself "in a perfect geopolitical position in one of the key regions of world politics, and especially for European security". Without Turkey, the West would "not be able to do anything, or not very much" in important regions like the eastern Mediterranean, the Aegean, the western Balkans, the Caspian region, the southern Caucasus, Central Asia and the Middle East. Turkey could not be bypassed "if one is seeking alternatives to the growing European dependence on Russian energy supplies in the region", writes the former foreign minister.

Fischer sums up his criticism with the words, "Instead of binding Turkey as tightly as possible to Europe and the West, European policy is driving Ankara into the arms of Russia and Iran!"

Fischer's arguments are linked to his consultancy work for the Nabucco pipeline project, in which the German RWE Group is also involved. In the summer of last year, he followed his former coalition partner Gerhard Schröder into the boardrooms of the energy industry. However, the two are working at opposite poles of the European energy supply industry. After the change of government in late 2005, it had taken Schröder just a few months before he gained a lucrative post heading the Supervisory Board of the NEGP Company pipeline consortium, which is building a pipeline under the Baltic Sea in close cooperation with Russian energy giant Gazprom.

Ahead of the Merkel trip, the accusation was raised that Gazprom had deliberately torpedoed the rival Nabucco project.

Issues of energy security and the economy will also play a role on the second part of Merkel's trip to China and Kazakhstan. Even if tensions are not to be expected, conflicts are growing under the surface. China has not only replaced Germany as the world's leading exporter, but has also considerably extended its relationship with Russia. It imports Russian raw materials and exports goods to Russia, thus taking over the role claimed by Germany. Government advisers like the Russia expert Alexander Rahr have long talked of the danger of Russia turning to China, if Germany and Europe should fail to win Russia's loyalty.

How German *Ostpolitik* will develop in such a context is not entirely clear. What is clear, however, is that the attacks on the Merkel government are also strongly motivated by foreign policy considerations.

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