Putin in Germany: Rising tensions between Moscow and Berlin

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The visit by Russian President Vladimir Putin to Germany earlier this week took place against a background of rising geo-political tensions. The ambivalent relationship between Moscow and Berlin is characterized simultaneously by growing economic cooperation and mounting political conflicts.

On Sunday evening, April 7, Putin and German Chancellor Angela Merkel jointly opened an industrial trade fair in Hanover that highlighted the growth of commercial ties between Germany and Russia. German-Russian trade reached a new record last year, topping 80 billion euros.

Russia's membership in the World Trade Organisation, which took effect last summer, and the "re-industrialization policy" of the Kremlin, which is associated domestically with increased attacks on the working class, have opened the doors to foreign investment, especially from Germany.

Trade and energy relations between the two countries will further deepen with the expansion of the North Stream pipeline, which supplies gas directly from Russia to Germany, and the planned construction of the South Stream pipeline. At the fair, Merkel said that Russia was a "strategic partner" and called for economic relations between the two countries to be enhanced.

To coincide with Putin's visit, the Committee on Eastern European Economic Relations organized a Russian-German economic summit on Monday.

While economic ties between the two countries are close, political tensions have mounted in recent weeks. Merkel used the meeting with Putin to raise the issues of "human rights" and "democracy" so as to put pressure on Russia, which is increasingly isolated internationally and has been weakened by the economic crisis.

Immediately prior to Putin's visit, Russian police raided the offices of two German NGOs in Moscow—the conservative Christian Democratic Union (CDU)-affiliated Konrad Adenauer Foundation and the Social Democratic Friedrich Ebert Foundation. The Russian action was immediately criticized by the German media and leading politicians.

Merkel's government warned of damage to the German-Russian relationship and politicians of all establishment parties called upon Merkel to make clear Germany's opposition. However, in an extensive interview with the German TV station ARD, Putin defended the raids.

At both the trade fair and a subsequent press conference on Monday, Merkel spoke out against the actions of the Kremlin and demanded that "the NGOs be able to work effectively and free from interference."

The raids were carried out following the adoption several months ago of a Russian law requiring organizations that receive money from abroad to register as "foreign agents" and open their books. NGOs, especially those from the United States, play a key role in promoting and defending the interests of Western imperialism in the countries of the former Soviet Union. In Ukraine and Georgia, they played an important part in the so-called "colour revolutions" that brought pro-Western regimes to power, while in Russia they support movements opposed to Putin.

The new law was the Kremlin's response to growing differences within the Russian ruling elite over the direction of foreign and economic policy as well as growing tensions with the NATO powers. Both the American and German governments, with the assistance of their respective NGOs, supported the anti-Putin protest movement that emerged in Russia last year. The new law and the subsequent raids made clear

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that Putin was not prepared to make any concessions to these pro-Western forces.

The police raids on the offices of the two German NGOs took place just days after the “rescue” of Cyprus, which represented an attack on the financial and strategic interests of the Russian elite. As has been the case in all of the European Union (EU) austerity deals, the German government was the driving force. The Cypriot banking sector was broken up and the rest of the economy dealt a heavy blow, with all bank accounts with deposits of more than 100,000 euros frozen.

The bailout imposed by the EU has been heavily criticized in the Russian press, but government leaders have been more reticent. Many Russian oligarchs and top executives of state enterprises were able to withdraw their funds from Cyprus in time and transfer them to other tax havens, such as the British Virgin Islands. Harder hit were Russian medium and small businesses that had set up accounts in Cyprus due to the uncertainty surrounding the Russian financial system.

The Cypriot banking sector played an important role in the Russian economy. Russian bank deposits amounted to an estimated $20 billion to $35 billion. Cyprus was a centre for many of the criminal financial operations carried out by Russian banks, corporations and mobsters, and was also a conduit for investment in Russian companies. In his talks with Merkel and in his ARD interview, Putin expressed Russian dissatisfaction with EU policy in Cyprus.

Based on its geographical position in the Mediterranean Sea and close proximity to the Middle East, Cyprus plays an important geo-political role and has been a close ally of Russia in recent years. According to the *Guardian* newspaper, Cyprus was a middleman for many Russian arms deals to countries such as Syria, Lebanon and Iran.

In its conflicts with other EU countries, the Kremlin has been able to rely on the support of the Cypriot government. One of the aims of Germany and other EU governments in carrying out the “rescue” of Cyprus was to prevent Russia from expanding its military influence in this critical region. In the course of negotiations on a bailout for its banks, the Cypriot government had offered the Kremlin, among other things, the use of a military base in Limassol. Currently the Kremlin’s only military base in the Mediterranean is located at Tartus in Syria.

Russia, together with China, opposes the Western-led campaign for regime-change in Syria. Conflicting interests in the Middle East, where Germany has lined up fully behind the policy of US imperialism, constitute a major factor in the growth of tensions between Berlin and Moscow. Attempts by German Foreign Minister Guido Westerwelle to mediate between the US and Russia on Syria have failed to deliver any palpable results.

Both Russia and Germany are reviewing their respective foreign policy orientations. Russia’s economy is highly dependent on energy exports to Europe, particularly Germany. At the same time, the growing trade links with China of both countries are a source of potential conflict with America and a subject of heated debate within the Russian elite.

The resurgence of German imperialism and growing geo-political tensions between the major powers will only exacerbate frictions between Russia and the German bourgeoisie over foreign policy issues, which will undoubtedly play a key role in the upcoming German election.

The candidate for chancellor of the Social Democratic Party, Peer Steinbrück, is expected to support closer ties with Russia. In a recent interview, he said Western democratic standards could not be applied to Russia, echoing the position of former Social Democratic Chancellor Gerhard Schröder, who is one of Putin’s closest friends and allies in Europe.

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