

LETTER FROM BERLIN



Did Germany Inadvertently Encourage Putin's War?

BY KLAUS C. ENGELEN

When Vladimir Putin twice in two days addressed his citizens about his intended offensive actions in Ukraine, for Germans the horrible writing was on the wall.

In the early hours of February 24, 2022, when the Russian president announced a “special military operation” against Ukraine, he in effect launched the biggest attack in Europe by one state against another since Germany’s Adolf Hitler sent his troops into Poland in 1939, triggering World War II.

The first German government reaction on that fateful morning came from Foreign Affairs Minister Annalena Baerbock, declaring on Twitter: “We woke up in a different world today.” She warned that Putin “will pay a high price for his invasion of the Ukraine.” Baerbock had delivered the same warning to Moscow on January 18, 2022, when she met with Russian Foreign Minister Sergey Lavrov.

German Chancellor Olaf Scholz reacted on Twitter more coolly. “The situation is serious. The peace in Europe is built on not changing borders. We must return to these

principles: State sovereignty is respected. Borders will not be moved.”

Representing Russia’s most important trading partner, Scholz flew to Moscow on February 15 to meet with Putin in a high-stakes last-ditch effort to avoid war. He was able to talk with Putin for three hours, but returned without hopeful signs of avoiding the coming tragedy.

So far, there has been total silence from former chancellor Angela Merkel regarding Putin’s war against Ukraine. For sixteen years, Merkel led four coalition governments under which Germany’s energy dependence on Russia was allowed to grow to extreme levels, and Putin’s military buildup and aggressions beyond Russia’s borders were ignored. This happened, of course, with the help of Merkel’s Bavarian sister party, the Christian Social Union, and her coalition partners, especially the Social Democrats and to a lesser extent the Liberals. But Annegret Kramp-Karrenbauer, who led Merkel’s CDU and served as Minister of Defense from 2019 to 2021, vented her anger and frustration in a tweet with remarkable openness: “I’m so angry at ourselves for

our historical failure. After Georgia, Crimea, and Donbas, we have not prepared anything that would have really deterred Putin.”

A €100 BILLION DEFENSE FUND

Three days after Putin’s war against Ukraine started, Scholz, in a special session of the Bundestag, proclaimed a *Zeitenwende*, in the sense of a historic shift. The Russian invasion of Ukraine shattered many fundamental convictions of German politics, including “change through trade” (*Wandel durch Handel*), which had prevailed for decades. In a dramatic about-face, Scholz pledged massive increases in financial resources to be used for modernizing the German military. As chancellor of the “traffic light” coalition of Social Democrats, Greens, and Liberals, he vowed to commit €100 billion to new defense funding and exceed a NATO-wide annual spending goal of 2 percent of GDP. These moves to rebuild the country’s armed forces would require an “unprecedented joint effort” and would help establish Germany as

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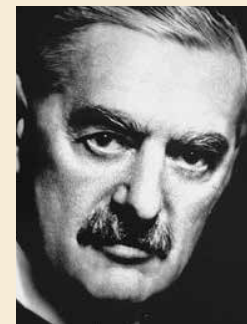
Angela Chamberlain

“Germany’s stubborn insistence on engaging with the Russian leader in the face of his sustained aggression (a catalog of misdeeds ranging from the invasion of Georgia to assassinations of enemies abroad and war crimes in Syria) was nothing short of a catastrophic blunder, one that will earn Merkel a place in the pantheon of political naiveté alongside Neville Chamberlain.”

—Matt Karnischnig, Politico,
March 28, 2022



Under former
German Chancellor
Angela Merkel,
Germany’s energy
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to extreme levels.



Britain’s **Neville Chamberlain**
negotiated the Munich
Agreement with Hitler
in 1938. Less than
a year later, Hitler
invaded Poland.

a reliable and capable partner with an appropriate role in the NATO alliance.

This means that under Scholz, who served as finance minister in the last Merkel administration, Berlin’s current yearly military spending of about €50 billion, or around 1.5 percent of GDP, would increase. “It would be more than 2 percent,” assured Scholz.

To get the debt-financed extra-budgetary €100 billion defense fund passed and to circumvent the constitutional debt brake (*Schuldenbremse*), Scholz’s coalition needed the votes of the CDU opposition. But the CDU’s new chairman, Friedrich Merz, had already threatened that the CDU would only vote for the Basic Law change if the Scholz government assured that the €100 billion for the military would only go toward the rearmament of the Bundeswehr and, in addition, at least 2 percent of GDP would be spent on defense in the long term. The move to massively increase military spending in the wake of Russia’s invasion of the Ukraine has shattered decades of German *Ostpolitik*.

But as *Der Spiegel* noted in early April, “At the beginning of the war, Scholz was celebrated internationally for his speech in which he declared that

the invasion was a ‘watershed’—and for completely reorienting German defense and foreign policy. The dramatic shift also raised hopes among Germany’s allies. Arms deliveries to Ukraine and a massive rearmament program for the Bundeswehr—it at last seemed as though the Germans were claiming a leading role for themselves in European security policy. Six weeks later, though, that elation has all but evaporated. Indeed, Scholz and his government are viewed internationally as standing in the way of more proactive steps.”

BAD LABOR DAY FOR SCHOLZ

Almost three months into the bloody war in Ukraine, the Labor Day protests at the First of May gatherings reflected growing dissatisfaction with the traffic-light coalition and the uncertainties brought about by Putin’s war. Many workers along with the millions living on state support in Germany are angry about their shrinking purchasing power. The official inflation rate in March was 7.3 percent, as the Ukraine war pushed energy prices up more quickly than at any time in the past forty years. Scholz’s warning that a sudden embargo on Russian energy exports “from one day to the next would mean plunging our

country and all of Europe into recession” has increased the worries of large segments of the German population.

One reason, of course, is that Germany is highly dependent on Russia for its energy—up to 55 percent of gas and 34 percent of oil supplies, according to Agora Energiewende, a German think tank. Facing rising prices and liv-

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ing costs, people are skeptical of the recent assurances of Robert Habeck, the highly active economic minister from the Green Party, that “by the end of this summer the energy dependence on Russia will substantially decrease”—natural gas from 55 percent to 35 percent, oil from 35 percent to 12 percent, and coal from 45 percent to 8 percent.

“The German economy is steering through difficult waters and faces the highest inflation rates in decades,” report the leading German economic research institutes in their significantly downward-revised economic growth projections.

Putin's Poodle

A heavy burden on the ruling SPD comes from its former chancellor Gerhard Schröder, who seventeen years ago became Putin's man in Germany and a close friend of the Russian president. Schröder is still in upper management positions in Russia's energy companies and making a lot of money. Katrin Bennhold, the Berlin bureau chief of the *New York Times*, in a rare interview published in April, noted, "His close ties to Mr. Putin have made him a pariah in his own country, where many now criticize him for using his clout and connections over the past two decades to enrich himself at the expense of Germany."

—K. Engelen



Former German Chancellor and Chairman of the Shareholders' Committee and member of the Board of Directors of Nord Stream **Gerhard Schröder** and (at the time) Russian Prime Minister **Vladimir Putin** at a 2010 World Cup qualifying match in Moscow between Russia and Germany.

"The recovery from the Covid-19 crisis is slowing down as a result of the war in Ukraine, but remains on track. The institutes expect GDP to increase by 2.7 and 3.1 percent in 2022 and 2023 respectively. In the event of an immediate interruption to Russian gas supplies, a total of

220 billion euros in German economic output would be at risk in both years."

Against a background of weeks-long heated debates on more heavy German weapons for Ukraine's battlefield, Scholz was booed by his union supporters at the May 1 Labor Day gathering in Düsseldorf when he promised to continue to support Ukraine, according to *Eurointelligence*. "The audience of trade unionists wants Germany to stay neutral. So do intellectuals, journalists, and artists who published a much-noted letter in a magazine a few days ago, calling on the government not to send arms to Ukraine. The German public is narrowly in favor of arms deliveries, but only by a small margin."

Eurointelligence continues: "We know that the Greens and the FDP want to support Ukraine with heavy weapons and want to phase down remaining economic relations with Russia. The SPD and its past and present leaders are on the spot because of the deep network of relations they built with the Kremlin. Vladimir Putin's attack is the worst conceivable accident that could happen to the SPD, coming only a few months after its electoral triumph."

With all the doom and gloom, there still is a broad-based and deeply felt wel-

come in Germany—and in most EU member states, especially Poland—for the millions of Ukrainians, mostly women and children, leaving their country to escape the war.

Since refugees from Ukraine don't need visas to enter the EU member

countries and for this reason a portion of them are not yet registered—a prerequisite to access social and medical services—there are no exact numbers. In Germany in early April, there were about 316,000 registered Ukrainian refugees according to police records. Germany's political leaders agreed on a €2 billion package to help states accommodate and integrate Ukrainian refugees under a cost-sharing system.

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ZEITENWENDE COMES TOO LATE

For Carnegie Europe's Judy Dempsey, "Russia's war against Ukraine ends Europe's self-deception." In her *Strategic Europe* blog, she notes: "Ten years after Strategic Europe was launched, the EU, with Germany playing a pivotal role, may finally start acting strategically. It will mean shattering illusions about war, peace, and stability." Dempsey continues, "In a raft of decisions, with the United States pushing Berlin to discard its sentimental and delusionary beliefs about the post-Cold War status quo, Scholz tore up a rulebook that made relations with Russia central to Berlin's economic, energy, and foreign policies."

Dempsey, who was previously the *Financial Times*' diplomatic correspondent in Brussels, says: "[Scholz]

agreed to send weapons to Ukraine. He supported the exclusion of Russia from the SWIFT international payment system. He halted the controversial Nord Stream 2 gas pipeline project.” And she sharply criticizes Berlin’s lack of strategic responses in the world: “In short, the post–1991 peace dividend and the reunification of Germany, despite the subsequent wars in Afghanistan, in Iraq, the turmoil following the Arab Spring of 2011, didn’t fundamentally lead to a reassessment of Berlin’s role in Europe—or the West. Russia’s invasion of Ukraine has changed all that.”

CATASTROPHIC ERRORS

On the weekend when Scholz came up with his €100 billion fund to modernize the German Bundeswehr, the editors of *Der Spiegel* summed up Germany’s dilemma with the headline, “The Calamitous Errors of Germany’s Russia Policy.”

In their view, “The Russian attack on Ukraine marks a watershed moment—for the world, for Europe, for German foreign policy, and, specifically, for Berlin’s Russia policy. For years, Vladimir Putin was allowed to do whatever he wanted. He could ignore

***Politico’s* Matthew Karnitschnig concludes that “Russia’s invasion of Ukraine is a repudiation of a whole generation of German politicians from across the spectrum.”**

international borders, murder political opponents, but in Germany’s political leadership, the voices of appeasement consistently prevailed ... [T]he Russian president has now outed himself as a man who isn’t concerned about mutual understanding, but rather about his image in the history books.”

Der Spiegel continues, “Economically, Germany’s dependence

on Russia for its energy supplies, particularly natural gas, is coming back to haunt the country. ... [B]oth Germany’s center-right Christian Democrats and the SPD stuck with the Nord Stream 2 gas pipeline that would ... bring deliveries directly to Germany ... It took an attack on Ukraine and Robert Habeck, an Economics Minister with the environmentalist Green Party, to finally bring the project to a halt.”

MERKEL AS CHAMBERLAIN?

How did the world’s fourth-largest economy, highly innovative and heavily oriented toward exports, become so dependent on Russian energy that Putin, by ordering a halt to gas deliveries, could shut down large parts of German industry? *Politico’s* Matthew Karnitschnig concludes that “Russia’s invasion of Ukraine is a repudiation of a whole generation of German politicians from across the spectrum.”

But Karnitschnig acknowledges that the German position is changing. “Less predictable was the speed with which Germany abandoned its stance toward Moscow in recent weeks by halting the controversial Nord Stream 2 pipeline project, sending arms to Ukraine, embracing sanctions against Russia, and even announcing it would start pumping substantial sums into its own army. In other words, it agreed almost overnight to do everything the U.S. and other allies had been prodding it to do for years.”

Karnitschnig’s verdict on Merkel’s sixteen years with respect to her Russian policy is harsh. “Germany’s stubborn insistence on engaging with the Russian leader in the face of his sustained aggression (a catalog of misdeeds ranging from the invasion of Georgia to assassinations of enemies abroad and war crimes in Syria) was nothing short of a catastrophic blunder, one that will earn Merkel a place in the pantheon of political naiveté alongside Neville Chamberlain. ... [I]t’s begun to dawn

on Germans that Merkel’s soft-shoe approach to Russia ... didn’t just open the door for Putin to go further, it effectively encouraged him to do so.”

And Karnitschnig goes on: “Russia’s invasion of Ukraine is not just a repudiation of Merkel’s chancellorship, however, but of a whole generation of German politicians from across

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the spectrum blinded by nostalgia for *Ostpolitik* and *Wandel durch Handel*, the 1970s-era *détente* policies championed by Chancellor Willy Brandt that according to German legend led to the end of the Cold War. ... While Merkel deserves most of the blame for falling into the Russian leader’s trap, the truth is that Germany’s entire political class is guilty.”

WEAKER NATO?

The implications of Germany’s *Ostpolitik* of the last fifty years, with its extreme dependency on energy imports from Russia, could be enormous.

As the *Eurointelligence* observers predict, “The oil sanctions could have the perverse impact of increasing total revenue flows from Europe to Russia if the accompanying rise in energy prices outweighs the fall in oil consumption. There is an economic and political component to Russia’s strategic considerations. Both of them would suggest that it becomes rational for Russia to threaten a gas embargo, starting in the autumn. A threat could be coupled with a warning that the sanctions would be triggered unless weapons deliveries to Ukraine stop. Gas sanctions are the most powerful strategic tool Vladimir Putin has at his disposal right now. Politically it would weaken the coherence of NATO as some countries like Germany would fall into recession, while the United States would not.” ♦