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MERKEL'S UNFINISHED BUSINESS

Why Germany Needs to Act Strategically

Judy Dempsey

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About the Author

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Prior to joining the *International Herald Tribune* in 2004, Dempsey was the diplomatic correspondent for the *Financial Times* in Brussels from 2001 onward, covering NATO and European Union enlargement. Between 1990 and 2001, she served as Jerusalem bureau chief (1996–2001), Berlin correspondent (1992–1996), and Eastern European correspondent in London (1990–1992) for the *Financial Times*. During the 1980s, Dempsey reported on Central and Eastern Europe for the *Financial Times*, the *Irish Times*, and the *Economist*.

Dempsey graduated from Trinity College, Dublin, where she studied history and political science. She has contributed to several books on Eastern Europe, including *Developments in Central and East European Politics* (Palgrave Macmillan and Duke University Press, 2007) and *The Soviet Union and Eastern Europe: A Handbook* (Frederick Muller Ltd., 1985). Last May, her book on Chancellor Angela Merkel *Das Phänomen Merkel* was published (Edition Körber-Stiftung).

Summary

German Chancellor Angela Merkel will soon face parliamentary elections. On her eight-year watch, her governing coalition has failed to develop foreign policy, security, and defense strategies. This weakens Europe's ability to think and act strategically and limits the European Union's (EU's) influence in its immediate neighborhood and beyond. There is much unfinished business that the next chancellor, be it Merkel or someone else, will have to manage.

Key Themes

- During Merkel's first term in office, she repaired relations with the United States and the countries of Eastern Europe. She won wide support from EU member states to push through the Lisbon Treaty designed to make decisionmaking in the union more effective. And Merkel put human rights and values at the top of her foreign policy agenda.
- Merkel's second term was dominated by the euro crisis, with Germany setting the agenda for coping with it. But Berlin also let many of its priorities drift.
- The German government has paid little attention to rebuilding the transatlantic relationship or encouraging Europe to develop a strong security and defense policy.
- Berlin has done nothing to move Europe toward greater integration. Yet a more united and coherent continent is sorely needed to help stabilize Europe's neighborhood and restore European influence.

Priorities for the Next German Government

Engage in a debate about Europe's future. The next government must decide if it supports a more integrated Europe or one in which the member states continue to pursue their own national interests. Either choice will have immense implications for Europe's role as an economic and political player. This will also mean deciding whether the EU should be enlarged.

Take the U.S. shift away from Europe to the Asia-Pacific seriously. This pivot will leave a security vacuum in Europe that cannot be ignored by Germany or other European countries.

Decide on a security strategy. Such a doctrine is urgently needed and must reflect the changes taking place not only in the United States but also closer to home, in Turkey, Russia, and the Middle East. The strategy must be European in outlook and outline the kind of security and defense structures Europe needs in order to defend and articulate its interests and values. Germany, with support from other countries, particularly Poland, should start taking the lead on all these issues.

Unfinished Business

Today, Angela Merkel is Germany's chancellor and Europe's most powerful leader. That is an extraordinary achievement for a woman who was raised in Communist East Germany and entered politics just after the Berlin Wall came crashing down on the night of November 9, 1989.

When Merkel took office in November 2005, her supporters both inside and outside Germany, particularly in the United States and Eastern Europe, held high hopes that she would restore her country's international standing. Berlin's reputation had taken a battering under her predecessor, Social Democrat Gerhard Schröder, not least because of the way he led an antiwar movement against the U.S. invasion of Iraq and his indifference to the smaller European Union (EU) countries.

Merkel did indeed seek to restore Germany's standing with vigor, especially during her first term, which lasted until 2009. From her first day in office, she took a lively interest in foreign policy.

But during her second term, Merkel became less ambitious and even cautious about several important foreign policy issues. She was not prepared to test her potential, and Germany's, as a major player in foreign affairs. Thanks to this hesitance, Merkel, who faces a federal election on September 22, has a great deal of unfinished business on her agenda.

The euro crisis is the one area where some progress has been made, though not without some unpleasant consequences. To tackle the crisis, Merkel has backed tough austerity measures, leading to nasty, populist backlashes from among the indebted countries, most of them Southern European. They see Germany as a new hegemon because Merkel insists on austerity in return for substantial guarantees, with Germany providing the biggest sums. Still, Merkel has said very little on the broader strategic issue of European integration that lurks behind these questions of austerity and bailouts.

Merkel has an ambiguous relationship with the United States, which is something of a puzzle to the White House. After all, President Barack Obama's main interlocutor in Europe is Merkel, not José Manuel Barroso, the president of the European Commission; not David Cameron, the British prime minister; and certainly not François Hollande, the French president. This makes it all the more frustrating for Obama that Merkel has so far failed to provide the leadership that Europeans need and that the United States wants.

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Merkel has had very little interest in security and defense policy, which has left a serious vacuum in Europe. It has delayed strategic thinking about Europe's role as a security and foreign policy player with regard to its Eastern and Southern neighbors. It has damaged Europe's credibility in being able to respond to crises in the region. And it has left the United States wondering why Germany is so reluctant to even have a debate about security strategy.

In Germany itself, Merkel still commands huge support—no mean feat for someone in office for eight years. Seen as reliable, hardworking, and down-to-earth, Merkel is not ambitious and not one to take risks. She is seen as a safe pair of hands and a fantastic tactician. Rarely offering an opinion or making a decision without weighing all the consequences, she waits for her opponents to do the running.

In reaching the top of Germany's political system and being elected chancellor twice, Merkel has clearly demonstrated immense skill. Yet even if she

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wins a third term in September, her political legacy is not guaranteed. She has left too much unfinished business. Beyond the euro crisis, Merkel has not proven she is willing or able to carve out a strategic direction for the rising power at the center of Europe. Indeed, this has been one of the biggest weaknesses of her time in office. By dodging this issue, Germany has delayed Europe's development of a strategic direction.

If she is reelected in September, she will come under pressure from her allies to embrace a more active foreign and security policy in particular. That will not be easy. Merkel will have to rediscover the ambition for Germany and Europe she had during her first term as chancellor. And she will have to do some serious strategic thinking. But it will be worth it—a much more active Germany is just what Europe needs if it is to exert any influence in the world.

Merkel's Approach to Europe: No Visions, No Illusions

Angela Merkel is somewhat short on vision. But, as leader of the largest and most successful European economy, she managed to set the terms for Europe's recovery from the euro crisis.

During her first term in office, she focused on foreign policy, particularly EU issues.¹ Her leadership of the EU's rotating presidency during the first half of 2007 showed her formidable energy. Merkel made a huge effort to push through support for the Lisbon Treaty, which was supposed to make EU decisionmaking more efficient. She campaigned hard for cutting carbon dioxide emissions and combating climate change. At the same time, Merkel

was chairing the G8, a role that gave her wide global exposure. She seemed in her element, enjoying her time as host to European and world leaders. She described those summits and gatherings as “great fun.”

Then came the global financial crisis that began during the last few months of Merkel’s first term, followed by the euro crisis that has largely dominated her second term. As the euro crisis spread and deepened, the economies of Ireland, Spain, Portugal, Greece, and Cyprus, which were saddled by big budget deficits and weak banking sectors, virtually collapsed. That crisis became an all-consuming issue for the Federal Chancellery. At stake was the survival of the euro.

Repeatedly, Merkel was caught between defending German interests and preventing a eurozone country from declaring bankruptcy. Those battles, she said in speeches for a domestic audience, were two sides of the same coin; Germany’s interests were Europe’s interests.² Reforms and financial assistance had to go hand in hand if the eurozone were to recover. Merkel’s economic stance was actually about Europe’s future but in a strictly limited way.

Her mantra has been austerity and the need for the highly indebted countries to become competitive again. This means bringing budget deficits under control, slashing the public sector, restructuring the tax-collection system, opening up the labor market, and increasing the retirement age.

Neither Merkel nor her finance minister, Wolfgang Schäuble, ever believed this would be a quick process. But neither of them expected the severe public backlash against the austerity measures in countries like Greece, Spain, Portugal, and Cyprus. It was not against the EU that the trade unions and the public ventilated their anger. It was against Germany as personified by Angela Merkel. It was Merkel, they claimed, who was responsible for the collapse of living standards. It was the leader of Germany who was becoming the new hegemon of Europe.

The caricatures of Merkel dressed as a Nazi that newspapers and demonstrators displayed in Greece and Cyprus have left a lasting impression. They showed how easily the resentments and prejudices of the past could be revived. In that way, the euro crisis exposed an astonishing fragility in postwar Europe, puncturing the policies pursued by the former conservative chancellor Helmut Kohl.

For Kohl, European integration, European enlargement, and a common European currency were synonymous. His vision of Europe was anchored in the Franco-German relationship. Without that tandem, his goals for Europe were not attainable.

Gerhard Schröder followed Kohl as chancellor, and his policy toward the EU signaled a major change from previous German governments. During his second term, this Social Democrat broke one of the EU’s most sacred rules, which Germany itself had fought hard to create: in 2004, Germany breached the EU’s Stability and Growth Pact. According to the pact, one cardinal rule

for eurozone countries was to keep budget deficits below 3 percent of their gross domestic product. Germany exceeded this limit, and Schröder allied with France and other euro countries with excessive deficits to stop the European Commission from imposing the agreed fines.

As a result, Germany's image as a country with an unswerving commitment to a tight monetary and fiscal policy, and the EU's rule, was damaged. At the same time, Schröder began an aggressive campaign against Germany's high net contributions to the EU budget. What all of this shows is that on Schröder's watch, Germany began to question the EU's status quo. This marks a clear break with Kohl, who genuinely believed that European integration, enlargement, and monetary union were good for Germany. What about Merkel?

A Matter of Integration

During the first two years of the euro crisis, Merkel increasingly gave the impression of shifting away from a Europe driven by EU bodies toward an intergovernmental institution with looser controls at the top. Merkel was not convinced that the European Commission, the EU's executive arm, would be strong enough to impose the kind of financial discipline she demanded of those countries receiving substantial guarantees from other eurozone states, with Germany as the biggest guarantor. German officials said European Commission President José Manuel Barroso was either out of his depth in dealing with the euro crisis or too interested in defending the commission's turf. Merkel, in any case, was not willing to grant the commission more powers at the expense of national governments.

Yet Merkel herself rarely broached the fundamental question of what kind of Europe she envisaged. She referred to "more Europe" during her speech at the World Economic Forum in Davos in January 2012.³ But that was to an international audience, not to her voters back home in Germany. "I believe the first question has to be: are we ready to dare more Europe? My response to that is: 2011 showed that, yes, we are ready. That's the good news," she said. But she did not expand on her ideas.

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What a contrast to Wolfgang Schäuble, the last true European integrationist in Merkel's cabinet. His eloquent speeches on the future of Europe and the need to strengthen its institutions paint a stark contrast to Merkel's pragmatic and low-key approach to containing the euro crisis. She has none of her finance minister's urgency in wanting to put an end to the unfinished business of European integration. Perhaps due to her East German upbringing, her view of the EU is technocratic, almost ahistorical. As far as Europe is concerned, it is clear that Schäuble is Helmut Kohl's true successor, not Merkel.

The German leader's view of European integration may be on display in 2014 should Merkel return to the Chancellery. Next year is a very important one for

Europe. The three biggest EU jobs in Brussels are opening up: president of the European Commission, president of the European Council (currently Herman Van Rompuy), and high representative for foreign affairs and security policy (currently Catherine Ashton). On the other side of the city, the top spot at the North Atlantic Treaty Organization (NATO) will also be up for grabs. The country that gets NATO is unlikely to get something big in the EU.

Whoever is appointed to the EU positions will face the enormous challenge of restoring Europe's credibility in foreign, security, and economic policy. But will the member states have the courage to put aside narrow, national interests in favor of selecting strong and convincing leaders in Brussels? A lot will depend on Germany's position.

Last time around, Merkel used her influence to ensure that weak individuals who could never be a threat to national governments were chosen to head these EU institutions. The result was that these leaders did not possess the necessary authority to handle the euro crisis, the Arab Spring, and the transatlantic relationship, to name just a few of the issues confronting the EU. Europe's voice, if at all present, was feeble.

If Merkel makes the same mistake again, Europe's chances of moving further down the path toward integration will be reduced and its role as a political force and potential global player will be endangered. If, in contrast, Merkel opts for strong leadership in Brussels, it would be an enormously important signal for Europe. It would show her commitment to giving the EU a sense of direction. Of course, she would also have to start spelling out what kind of Europe she wants.

Merkel has avoided just that throughout her eight years in power. She has never expressed a political vision for Europe. That has left many Germans, and other governments too, worried that Euroskeptics will step in to fill the vacuum.

It is unlikely that Merkel will use her third term in office to present the bold master plan for the reform of Europe that integrationists have been hoping for, given both her character and her political judgment. A time when other EU countries are already deeply worried about German dominance is not propitious to a grand German vision of Europe's future.

Yet this silence carries a cost. Europe will not become more effective, more democratic, and more able to resist crises if it does not reform in some fundamental way. And if the most influential leader on the European stage does not show the way, that reform is not going to happen. A Europe adrift will continue to breed Euroskeptics, and Germany, a heartland of Europe, is steadily moving away from the concept of "an ever closer union." That is to a large extent the fault of leaders like Schröder and Merkel, who fail to explain how Europe needs to change to master the future.

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The Return

That future will likely include more of the same. There is little doubt that the euro crisis will return—and with a vengeance.

Many commentators both inside and outside of Germany have been highly critical of Merkel's stance toward saving the euro.⁴ Critics have accused the chancellor of being so obsessed with austerity and restructuring measures that she does not see the need for growth stimuli in other eurozone countries. As a result, her critics contend, Europe will remain stuck in recession, thus weakening the credibility of the euro and indeed the whole idea of monetary union. These criticisms show how ideological the debate has become in Europe—and the United States—over how to deal with the euro crisis.

Many economists expect that Greece, for one, will need to reduce its debt soon if it is ever to get public finances back under control. Today Greece owes the other eurozone countries and the International Monetary Fund (IMF) more than €200 billion (around \$267 billion)—money that financial analysts say it will never be able to pay back. Even the IMF recently began calling for Greece to reduce its debt.

Merkel and Schäuble are playing deaf to the IMF's message. They say that while Greece may need further help, none of that is necessary before 2014—when the German elections are safely over.

The reason for the delay is a curious phenomenon: so far, the euro crisis has cost Germany nearly nothing because Berlin has not yet had to pay a cent of the huge guarantees that it pledged to the indebted countries. In fact, the German state has greatly benefited from historically low interest rates on its debt.

Apart from Greece, financial analysts expect that Cyprus too will eventually ask for more help. The situation in Ireland and Portugal is more stable, but Spain may come under increased pressure thanks to the problems in its banking sector. Most importantly, Italy and France have dangerously high levels of public debt.

Merkel is not blind to these problems. She recognizes that the euro crisis is not over yet, with her election program stating that the crisis “has been mitigated, but it is far from having been solved.”

The German leader's tack—not denying the problems entirely, but keeping silent on their painful consequences—has been remarkably successful. Yet no amount of tactical skill will make the euro crisis go away. One morning, not too long after September 22, Germans will wake up to that fact. Merkel's ability to deal with another wave will reveal whether she will finally embrace a more integrated Europe or preserve the power of national governments. This could be her biggest foreign policy decision, with a monumental impact on Europe's future.

Germany and the United States: The Ambiguous Friendship

Beyond Europe, Angela Merkel spends a lot of time on the phone with Barack Obama. Not much of what they say becomes public, but one can assume that they have found a reasonably good rapport. If so, it is much more due to Obama's persistence and charm than to any effort Merkel has made.

Despite Obama's efforts, there is a feeling of estrangement between these two important Western countries. This is not just due to the missing personal chemistry between Obama and Merkel—the disconnect has been evident for some time now. The main reason is that Germany's foreign policy does not have a strategy for dealing with the United States.

The failure to think strategically about Washington comes at a high price: as the Obama administration reappraises its own strategic interests and goals during its second term, Germany and implicitly Europe will suffer if they do not understand and react to those changes. Not least is the U.S. shift away from Europe to the Asia-Pacific.

This pivot will leave a security vacuum in Europe that cannot be ignored by Germany or other European countries. There are also a great number of global issues and conflicts that require much closer cooperation between Europe and the United States.

If Merkel does win a third term in September, formulating such a strategy vis-à-vis the United States and rebuilding the transatlantic relationship should be a foreign policy priority.

Bush and Merkel

When Merkel first took office in November 2005, she made an enormous effort to rebuild ties between Berlin and Washington. They were in terrible shape after Schröder had opposed the U.S. invasion of Iraq and established an antiwar alliance with Russia and France. NATO was almost torn apart; the weekly ambassadors' meetings often ended in shouting matches.

Bringing back some degree of stability and predictability to relations between Germany and the United States was not easy. Iraq aside, there were too many differences between Merkel and the George W. Bush administration. They differed over how to combat climate change, which Merkel had put at the top of her domestic and international agenda. They differed over the use of torture. On the eve of her official visit to the United States in January 2006, Merkel had openly criticized the continuing existence of the Guantánamo Bay detention center. They differed over Germany's military contribution in Afghanistan, which Washington claimed was too small and too ineffective.

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They also had different opinions of how to deal with Georgia and Ukraine. At the NATO summit in Bucharest in 2008, the Bush administration wanted NATO leaders to offer both countries the Membership Action Plan that would have set them on the path to NATO membership. Germany, supported by France, refused to go along with that. Although neither Berlin nor Paris would say this publicly, they doubted that NATO would ever be prepared to extend the Article 5 mutual defense promise to Ukraine or Georgia if either came under threat of attack from Russia. Germany, in particular, was extremely worried by the thought of how Russia would react if NATO forces had to defend Georgia.

The Bucharest summit offered two important insights: it showed that Washington was unable to cajole Berlin into toeing the line, and it revealed how little strategic thinking Berlin was doing about the transatlantic relationship. With the Bush administration on the way out, Merkel shrugged off any criticism from Washington. She had other worries. The global financial crisis was taking hold, and Germany was preparing for an election year in 2009. Foreign policy took a backseat just as Barack Obama was elected president.

Trying to Get Personal

Merkel made little effort to get to know Obama before the German election and indeed before his. They had their first run-in when she did not allow him to give a campaign speech in front of the highly symbolic backdrop of Berlin's Brandenburg Gate during the summer of 2008. It is understandable that she denied Obama's request, but it did not make for a good start.

Even after Obama was elected in November 2008, Merkel seemed in no rush to establish any kind of working relationship. She had no trouble bantering with George W. Bush, even though she had little sympathy for his views. But with Obama, more an icon than a politician in some ways, it was a very different matter. Obama was young, a Democrat, and the first African American to be elected president of the United States. He was also hugely popular in Germany, where the public was highly critical of the Bush administration and its war on terror. There were differences too in political style: Obama had a strong personality and was ambitious, charming, and charismatic—qualities that often clashed with Merkel's low-key approach to politics.

In contrast to Merkel, Obama wasted no time reaching out, inviting her to the White House in March 2009. Merkel turned him down.⁵ German officials explained that she would in any case be meeting Obama at a G20 summit in London on April 2. Undeterred, Obama continued to try to iron out some of the fundamental differences with Merkel.

The economy made for some particularly big disagreements. Obama was set on pushing through a stimulus package for the U.S. economy. He hoped to finally bring the United States out of the worst economic crisis it had seen in decades, and for this he wanted European support. Merkel was skeptical of

Obama's stimulus package, even though back in Berlin, her grand coalition of conservatives and Social Democrats had introduced similar measures.⁶

Between April and June 2009, Merkel and Obama managed to meet four times: in London during a G20 meeting; in Baden-Baden, Germany, during the NATO summit; in Dresden; and finally in Washington. The June trip to Washington was Merkel's first visit to the U.S. capital since Obama's inauguration as president six months earlier. "I like Chancellor Merkel a lot," Obama said at their joint news conference. "I've now dealt with a lot of world leaders, and I think that Chancellor Merkel is smart, practical, and I trust her when she says something. And so that kind of approach is exactly what you want from an international partner."⁷

But what sort of partner was Germany for America, really? The economy was not the only point of contention. Foreign policy issues were problematic too. Obama felt let down by Germany when he pledged to close down Guantánamo Bay. Though Merkel had criticized Bush for the existence of the camp and called for it to be closed, her government did not want any of the former detainees to be resettled in Germany. After months of hesitation, Germany finally took in two of them.

Still, Obama did not give up on Germany, or rather on Merkel. She was invited to address a joint session of Congress on November 3, 2009—quite the honor. The last German chancellor to speak before Congress was Konrad Adenauer, the first chancellor of postwar Germany, in 1957, and he still had to address both houses separately. Merkel was ushered in to the grand Congress chamber. There was huge applause; the welcome was ecstatic.⁸

Most of 2010 was dominated by the euro crisis and tensions between Washington and Berlin, in particular over how to deal with highly indebted countries. Merkel and Obama were by now meeting several times per year either bilaterally or at summits. The two leaders did establish a *modus vivendi*, but their relationship was not close. And it certainly was not going to get any closer in early 2011.

Germany took up a temporary (two-year) seat on the United Nations Security Council on January 1, the result of an impressive lobbying campaign by Foreign Minister Guido Westerwelle. The Libya crisis was Berlin's first big test on the Security Council. It turned out to be a catastrophe.

When the Security Council convened on March 17 to vote on imposing a no-fly zone over Libya,⁹ it was already clear that the Europeans were totally divided. Britain and France were leading an ever more forceful campaign for imposing it. Germany opposed the idea of military action.

The phones in the Chancellery never stopped ringing that morning. There are many conflicting accounts of those hours. According to some, Westerwelle initially wanted to vote against the resolution, but Merkel feared the diplomatic fallout of such a decision. Yet she did not want Germany to vote in favor

of the resolution, either. The phone calls went back and forth between the Chancellery and the Foreign Ministry.

Germany eventually decided to abstain, and that turned out to be a diplomatic fiasco. Merkel used Westerwelle as the front man to justify Germany's position. Neither exactly explained Berlin's reasons in strategic terms to its allies. Germany's reputation as a reliable ally suffered greatly, leading to a loss of influence within NATO that continues to this day.

Yet Obama still did not give up on Merkel. On June 7, 2011, at a lavish ceremony in the Rose Garden of the White House, Obama bestowed on Merkel the Medal of Freedom, one of the highest honors the U.S. president can confer. He flattered Merkel, praising her fight for freedom and the way she climbed up the political ladder.¹⁰ Merkel, for her part, made her upbringing in Communist East Germany and her belief in freedom the themes of her speech. The dinner guests loved it. This prestigious award, however, did not bring Merkel and Obama closer.

Transatlantic Revival

Merkel remains Obama's most important interlocutor in Europe, and she is seen by Obama as Europe's undisputed leader. Obama will need Merkel, and Merkel, Obama, if the most ambitious item on today's transatlantic agenda—the initiative for a transatlantic free trade accord—is to become a success. For Washington, it is not just that Germany is Europe's biggest and most successful economy. Washington also needs Merkel's experience and personal standing among all the EU member states to achieve a breakthrough. In return, Merkel needs Obama to exert all of his skills to get the lobbies in the United States to support such an accord.

Both sides recognize this. Indeed, both made serious efforts to ensure that Obama's visit to Berlin in June 2013 was a success. This was not easy; Obama's visit came just as former U.S. National Security Agency contractor Edward J. Snowden leaked documents that revealed the Obama administration had been, among other things, conducting surveillance of foreign citizens' communications. The German public, always sensitive about privacy issues, was outraged about the massive scale of U.S. spying. Merkel, despite being engaged in an election campaign, did not give in to the temptation of stoking these fires. She remained low-key about the scandal and cordial to Obama.

Yet, the estrangement persists. In a world that is becoming increasingly multipolar, Merkel needs to do more. Germany, as Europe's most important country, and the United States could combine their influence much more effectively to safeguard the values of democracy, rule of law, and human rights that they hold in common. That cannot be done without Merkel developing a strategy for reviving the transatlantic relationship.

Security Without a Strategy, an Army Without a Map

Of all the more recent German chancellors, Angela Merkel is probably the one with the least interest in defense and security policy. While she is known to devour files on just about any political issue, she has always been happy to leave military matters to the experts.

One topic she has avoided in particular is the role of drones, whether for combat or surveillance purposes. Her refusal to address this issue became glaringly obvious in the summer of 2013, when the opposition Social Democrats seized on drones for their election campaign. The Social Democrats were exploiting the Eurohawk scandal.

Earlier this summer, it turned out that over the past ten years, successive German governments had spent over half a billion euros (over \$667 million) on developing an armed drone that had neither the license to fully use the U.S. technology that it had access to nor the certification required to fly over European airspace. Thomas de Maizière, the German defense minister and Merkel's most loyal lieutenant, finally stopped the development of the Eurohawk but announced that a new armed drones program would be pursued.

In contrast, the Social Democrats promised voters that they would neither develop nor purchase armed drones. This was a highly populist decision. The German public is staunchly opposed to the use of armed drones. It is horrified by the way the Obama administration employs these weapons to kill suspected terrorists from afar. And it is willfully ignorant of the fact that drones are causing a technological revolution in military affairs all over the world. Germany either has to accept and keep up with a technology that is becoming part of modern weaponry, especially when it comes to protecting its troops, or risk being unable to work with its NATO allies that are acquiring armed drones.

Both the government and the opposition carry responsibility for this blindness; neither used the controversy over the Eurohawk to engage in a real debate about Germany's future military needs. Nor did they seize the moment to call on NATO and the EU to work for an international legal framework on the use of drones. The reason is that either discussion would have made it necessary to reflect on hard power and strategy, two elements notably absent from the country's political debate. Indeed, despite being involved in many multinational military missions, German security is caught in a strategic vacuum, leaving its armed forces without any clear sense of direction. Merkel has done little to rectify this situation.

The Security Void and the EU

Having no security strategy of its own, Germany has discouraged the EU's foreign policy chief Catherine Ashton from drawing up a new security strategy

for Europe. This is despite the fact that the current doctrine is badly in need of updating—the first and last time the EU tried to set out a security strategy was in 2003. Attempts to bring it up to date in 2007 did not get very far.

This lack of a security doctrine makes it difficult for Europe to react to the extraordinary changes that are sweeping across the Middle East and elsewhere, and it defeats any attempts within NATO or the EU to pool and share military resources in order to face ever-growing financial pressure. The European allies do not agree on when the use of their armed forces would be justified. As long as that divide exists, it is impossible for them to give up national ownership of central military resources. And agreement on this issue will remain elusive as long as there is no strategic debate.

The primary reason Germans have not engaged in such a debate is the country's past, in which pacifism became the overriding antidote to militarism. The other reason is a culture of dependence on the United States that has fostered intellectual laziness and a sense of not having to assume responsibility.

Every government since Konrad Adenauer has considered it necessary to be able to use military force, but few politicians have ever made the unpopular attempt to convince the public of this necessity. Indeed, it has always been more convenient to keep military matters as quiet as possible. However, this means that even the slightest hint that Germany should have its own security strategy is shunned because it would involve discussing the use of force to protect national interests.

Horst Kohler, one of Germany's more courageous federal presidents, tried to start such a discussion in 2011. During a state visit to Afghanistan, he was mulling over the issue of German troops serving in multinational missions. In a radio interview, he spoke about German participation in the EU's Atalanta antipiracy mission off the coast of Somalia. Kohler said the mission was important to Germany because it was about protecting trade routes that were crucial for the German economy. The German media rounded on Kohler, as did the public and large parts of the political establishment. Merkel, who had twice backed Kohler as president, distanced herself from his comments. In the

end, Kohler resigned. A statement that would have been considered a banality in any other Western country ended up costing the German president his job.

The effect, of course, was to further discourage other politicians from pursuing this debate. Europe's most populous nation and the European country with the strongest economy still indulges in the luxury of not thinking

strategically. The longer this continues, the more damage is done to Germany and Europe. Germany was and is the key to developing a coherent European security and defense policy, but it is still unwilling to face up to that role.

Germany was and is the key to developing a coherent European security and defense policy, but it is still unwilling to face up to that role.

Boots on the Ground

To be fair, Germany did contribute militarily to the enforcement of the Dayton agreement of 1995 that ended the war in Bosnia and Herzegovina. But that only happened after Germany's leadership had transitioned from Kohl's Christian Democrat government to the first coalition between the Social Democrats and the Greens (the red-green coalition) under Gerhard Schröder. Led by this coalition, Germany was prepared to send its troops into peace-enforcement missions. That signaled a major shift from its first postwar mission in 1992, when German troops provided a field hospital for the United Nations Transitional Authority in Cambodia.

As Serbia persevered in 1998 in forcibly displacing ethnic Kosovars from their home province, Joschka Fischer, the Green Party leader who had become foreign minister that year, was one of the few German politicians to talk about his country's moral responsibility to stop Serbian leader Slobodan Milošević's ethnic cleansing, even if that meant force. Under Schröder and Fischer, Germany took part in the NATO bombing of Serbia. How ironic that it was a left-wing government that started the debate over Germany's responsibilities in the aftermath of the Cold War. The conservatives, despite their reputation for Atlanticism, contributed little to it.

After Kosovo, the next war was Afghanistan, and again, Germany's red-green coalition sent troops. In Iraq, however, it refused to participate in the U.S.-led campaign, partly for electoral reasons—remember that important pacifist stream in Germany—and partly because of profound doubts about Washington's motives in waging war against Iraq.

These three consecutive wars profoundly influenced Germany's attitude toward the use of force. Yet neither Schröder nor Fischer used this opportunity to pursue the idea of German responsibility for its own sake but also as a member of the international community, or to push harder for a coherent national security debate. Nor did Merkel seize the moment when she took office in late 2005.

Under Schröder, Germany had begun to face up to its new responsibilities. Under Merkel, it retreated again. During her first term in office, and even during her second, Merkel did her best to avoid discussing Afghanistan altogether.¹¹ There was no attempt to inform a public that had no idea why its soldiers were in a Central Asian country and whom they were fighting in that war.¹² In the meantime, increasing numbers of NATO troops were becoming involved in combat sorties. In the region around the northern city of Kunduz, German soldiers were killed in increasingly frequent and heavy fire from insurgents.¹³ But rather than communicate to the public what was happening, the government adopted a policy of denial. For years, officials in Berlin never spoke of war. Instead, Bundeswehr soldiers were “armed peacekeepers.”

The word “war” was taboo. Franz Josef Jung, who was defense minister from 2009 to 2011, told German public television that there was no war in Afghanistan. “If you are in a war, you don’t build schools, you don’t take care of the water and energy supply, you don’t build kindergartens and hospitals, and you don’t train the military and the police,” he said, referring to some of the projects in which German troops were involved.¹⁴

Meanwhile, Berlin’s allies, and the United States in particular, believed that Germany was not pulling its weight in Afghanistan. Berlin’s partners were increasingly frustrated with the many restrictions placed on German soldiers. For example, the Germans had to remain in their compounds if any fighting flared up, and they could not go on foot patrols at certain times of day. This left a bad impression and caused resentment in those countries that had no caveats on their deployed forces.¹⁵ And the allies, especially the United States, were dismayed by the fact that Germany could sustain only 8,000 troops in the NATO/International Security Assistance Force mission despite having a 220,000-strong army.

The Merkel government was finally forced to change tack when, in early September 2009, German forces attacked and killed many unarmed civilians near Kunduz.¹⁶ The criticism from allies and the German media was intense, not just because of the number of casualties. The German commanders were criticized for poor leadership. This was the moment the German public finally realized that in Afghanistan its soldiers were not just lightly armed peacekeepers but combat troops involved in a deadly conflict.

In December 2010, Merkel, while making her third visit to Afghanistan, spoke of war for the first time. “What we have here is not just a warlike situation,” Merkel told troops in Kunduz. “You are involved in combat as in war. This is a new experience. We have heard such things from our parents talking of World War II, but that was different because Germany was the aggressor.”¹⁷ Speaking of war jolted the public conscience, but by itself, it did little good to prepare the Bundeswehr, an army still very much beholden to its Cold War organization, for today’s military missions. Germany remained strategically adrift.

Unanswered Questions

Karl-Theodor zu Guttenberg, appointed defense minister in 2011, saw the need to act. He argued for an end to the practice of conscription. Apart from the fact that he believed it was inefficient—conscript soldiers were never allowed to serve in any peacekeeping missions—it prevented Germany from developing a professional military culture.

Karl-Heinz Kamp, then director of research at the NATO Defense College in Rome, said “conscription itself hindered a major discussion about security.” A country with a professional army, in contrast, needs a security strategy to justify and explain the role of the armed forces. The government eventually

decided to do away with conscription, a move that Kamp described as “an extremely positive development.”¹⁸

The restructuring of the system was carried out by Guttenberg’s successor, Thomas de Maizière, a close confidant of Merkel. In May 2011, he also published new Defense Policy Guidelines,¹⁹ in which he actually made an attempt to define Germany’s strategic and security interests.

The guidelines read like a shopping list. Instead of specializing, the Bundeswehr aims to develop the ability to carry out a very wide range of missions, begging questions of cost, equipment, training, and—perhaps most importantly—experience. The document states that Germany should not be expected to be automatically involved in European missions. And, once again, the most important question remains unanswered: Which national interests does Germany consider so vital that it would use force to defend them? As long as Germany—both the public and the political elite—refuses to debate this issue, any reform of the Bundeswehr will necessarily remain makeshift.

If Merkel is reelected and continues to ignore these strategic issues, she will weaken her country. Her foreign policy will lack an essential dimension if she cannot credibly threaten the use of force, and Berlin’s standing within the EU and NATO will suffer. Germany’s allies will not consider this important, powerful country in the middle of Europe entirely reliable if it cannot recognize its own strategic priorities.

Germany’s Eastern Neighbors

In January 2006, on Angela Merkel’s first official visit to Russia since becoming chancellor, she was given a present from Russian President Vladimir Putin. It was a small black-and-white toy dog. It came with a short leash. Merkel does not like dogs—a fact of which the Russian president was perfectly aware.

This story explains a lot about Putin’s attitude toward Merkel, who was not prepared to continue the cozy relationship that her predecessor Gerhard Schröder had developed with Putin. The Kremlin can no longer take Germany’s support for granted with Merkel, especially on EU affairs. Germany’s postwar guilt and responsibility are no longer the driving motives in its relationship with Russia.

Meanwhile, ties between Berlin and Warsaw have moved from mutual suspicion to trust. This is important for the EU domestically and for establishing an EU strategy toward Europe’s Eastern neighbors. But before that can happen, Germany has to decide what kind of relationship it wants with Russia. With many of Europe’s Eastern neighbors torn between closer relations with the EU or with Russia, how Berlin treats Moscow will affect the EU.

Cold Toward Russia

If it had been Putin's intention to intimidate the newly elected German chancellor with his dog, he failed. From the time Merkel took office, she was highly critical of Putin's crackdown on the media, the opposition, and human rights activists. Merkel had no qualms about raising these issues during news conferences with Putin and personally meeting with nongovernmental organizations (NGOs).

Then, as now, it was the Chancellery, not the Foreign Ministry, that had taken charge of the Russia dossier. And Merkel's more assertive policy clashed with the Foreign Ministry.

Headed by the Social Democrat Frank-Walter Steinmeier during Merkel's first term, the Foreign Ministry preferred a more discreet approach toward Putin. Steinmeier also believed, in line with his party's Ostpolitik (loosely translated as Eastern policy), that engaging Russia more closely would over time lead to economic and political reforms. The Foreign Ministry's policy toward Russia has been heavily influenced by German industry, specifically the Ost-Ausschuss der Deutschen Wirtschaft or Committee on Eastern European Economic Relations. Founded in 1952, the committee's attitudes toward Russia have been economically and ideologically driven, with the organization convinced that it is far better to engage with Germany's large neighbor to the East, regardless of Moscow's political system or leadership.

Over the years, the Ost-Ausschuss enjoyed access to the Chancellery in addition to influencing the Foreign Ministry. But that changed under Merkel. She wanted values to play a role in Germany's relations with Russia. She also wanted Moscow to give Berlin something in return for Germany's consistent support for whoever was in the Kremlin. Putin was certainly not going to do that.

Merkel waited until Dmitry Medvedev took over the presidency in 2008 to see how she could deal with the Kremlin. She offered Russia something concrete if it worked with Germany to resolve the conflict in Transnistria. This Russian-backed region is part of Moldova, a poor and corrupt country that borders on EU member Romania. For well over two decades, Transnistria has been striving for independence from Moldova.

Why Merkel should ever have been bothered to take an interest in Transnistria puzzled some analysts. The Chancellery, however, took the view that if Medvedev was different from Putin and was willing to work more closely with Germany and Europe, he should be taken at his word.

That is exactly what Merkel did in June 2010 at Schloss Meseberg, the government's guesthouse outside Berlin.²⁰ There, both leaders agreed to try to end the frozen conflict in Transnistria. In return for Moscow's cooperation, Germany offered Russia something it had long sought: the establishment of an EU-Russian political and security committee in which Europe and Russia would work closely together on civil and military matters as well as crisis-management operations.

Medvedev, however, did not deliver on Transnistria.²¹ And there was a sense of disappointment—worse, betrayal—felt by the Chancellery in particular, over the way Medvedev, after his term was up, turned the presidency over to Putin.

A few months into his third stint as president, Putin tightened restrictions on NGOs in Russia and announced a new treason law. What this turn of events demonstrated was that Germany's policy, as pursued over the years by the Ost-Ausschuss, had failed. Forging closer economic ties between Germany and Russia was not leading to political reform.

Putin's much tougher stance struck a raw nerve among Merkel's Christian Democratic Union. Merkel gave Andreas Schockenhoff, a conservative lawmaker who has been Germany's special envoy responsible for Russia since 2006, free rein to openly criticize Putin. He did so without hesitation.

When three singers from the punk band Pussy Riot were convicted of blasphemy in August 2012 and given long prison sentences, Schockenhoff sharply criticized the Kremlin over its disregard for the rule of law. Putin was "harming his own objective of making Russia a modern, competitive country," Schockenhoff said.

The Kremlin hit back. In October 2012, the Russian Foreign Ministry accused Schockenhoff of "making defamatory remarks." Not only that, the ministry said the Kremlin no longer considered Schockenhoff to have the authority to speak on behalf of the German government.

Berlin's reaction was revealing. It showed once again the tensions between the Foreign Ministry and the Chancellery over how to deal with Putin in particular and Russia in general. The Foreign Ministry was curt in its reaction to Russia's verbal assault on Schockenhoff. The envoy would remain in his job, the ministry declared in a statement. It did not criticize the Russian comments. Merkel, in contrast, pulled no punches. The criticism of Schockenhoff "astonished us," Steffen Seibert, the government's spokesman, said. It was not up to Russia to decide who spoke on Germany's behalf, he added.

For Putin, this new tone in the German debate spelled trouble. Berlin had been Moscow's strongest advocate within the EU, but Merkel was not prepared to continue that policy unconditionally. The Chancellery blocked the EU from granting Russia a special visa liberalization regime—despite huge lobbying efforts by the Kremlin, the German Foreign Ministry, and the Ost-Ausschuss—which showed that Merkel believes Ostpolitik has run its course. But it is not as simple as that.

For the moment, Germany's attitude toward Russia is hovering between two competing views: maintaining the ever-anachronistic Ostpolitik and skepticism about that policy. German opinion too is split over what approach to take toward Russia. In July 2013, Germany's Bertelsmann Foundation and Poland's Institute of Public Affairs jointly published a fascinating survey of

how Germans see Poles and Russians. It found that only 34 percent of respondents wanted closer cooperation with Russia.²² German industry continues to push in the other direction. The Ost-Ausschuss would prefer Germany's traditional Ostpolitik to continue.

If Merkel is reelected, she will have the possibility to reshape German—and EU—policy toward Russia. She should put much greater emphasis on values. In practice, that could mean making closer economic and political ties conditional on Moscow establishing an independent judiciary or allowing a free press and vibrant NGOs. These, after all, are Europe's soft-power tools, though Merkel has yet to develop a cohesive plan for wielding them.

Warm Toward Poland

When Merkel was sworn in as chancellor, she set out to convince Germany's Eastern neighbors that Berlin would not go behind their backs when dealing with Russia. It was not an easy task. Politicians from Eastern Europe, especially Poland and the Baltic states, as well as the opposition movements in Belarus, were skeptical. Poland, Germany's biggest Eastern neighbor, was still smarting from Gerhard Schröder's time in office. Its main grievance was Schröder's very close personal ties to Putin at the expense of Berlin's ties with Eastern Europe. Schröder was reluctant to speak out about human rights violations in Russia, and he actively supported the construction of the Nord Stream pipeline, which allowed Russia for the first time to send gas under the Baltic Sea directly to Western Europe, thus diminishing its dependence on Ukraine, Belarus, and Poland as transit countries.

Barely three months into Merkel's first term, these same Polish officials and politicians were surprised by the speed with which Merkel reoriented Berlin's foreign policy. She was restoring, they believed, Germany's pivotal role in the center of Europe. Anatoly Lebedko, one of the leaders of Belarus's opposition United Civic Party, told me that Germany was finally taking its Eastern neighbors seriously. "As the largest and most important country in Europe, Berlin can influence policy in the European Union and adopt a more balanced relationship with Russia," he said. "Merkel is more willing to speak out for our interests. And of course the big difference with Schröder is that Merkel does not call Putin 'Volodya, my friend.'"

Merkel's first eastward trip as chancellor took her to Warsaw in December 2005. There, she created a German-Polish committee to discuss energy issues. And there were other examples of how Merkel reached out to Poland, defending its interests against Russia. Moscow had banned Polish meat imports in November 2005 because of frequent "flagrant violations of Russian veterinary requirements" and "counterfeit products," according to Russia's Federal Service for Veterinary and Phytosanitary Surveillance. There was little doubt that Putin's goal was to test the extent of solidarity within the EU toward

Poland—which had joined the EU in 2004—and Germany’s special relationship with Russia. He was in for a big surprise.

Merkel came down on the side of the Poles—a difficult task. The Polish government at the time was led by the nationalist-conservative Law and Justice Party. Its leader, Jarosław Kaczyński, and his twin brother Lech, who was president, were staunch Euroskeptics as well as fiercely anti-German and anti-Russian. During its short time in government, Law and Justice repeatedly portrayed the Germans, and Merkel, as revanchists, using the Nazi past to criticize both.

Merkel refused to be intimidated by the rhetoric. She genuinely wanted a deeper relationship with Poland, regardless of which government in Warsaw was in power. But just as important, she was loath to have Russia play Poland against Germany.

Merkel supported Poland in blocking a new EU Partnership and Cooperation Agreement with Russia as long as the meat ban was in place. The Kremlin was furious. It had not only lost the chance for better trade access with the EU, it had also failed to play Poland against Germany and other EU states. That amounted to a major victory for Poland and a victory for Merkel’s German-Polish policy.

Once Donald Tusk, leader of the center-right Civic Platform Party, became Poland’s prime minister in 2007, Merkel quickly established a close relationship with him, underscoring the German-Polish rapprochement. Indeed, opinion polls also showed that Poles felt increasingly comfortable with Germany as their neighbor.²³ It was not that the past was receding. It was that both sides were more willing to confront the past.²⁴

While relations between Germany and Poland were improving, Poland was also taking a hard look at its long-term foreign policy and strategic interests. Under the Tusk government, Poland’s relationship with the United States was no longer the *sine qua non* of its foreign policy. That was a surprising shift given that Tusk’s foreign minister, Radosław Sikorski, had been a staunch defender of Poland’s close ties to the United States. Yet in the middle of the euro crisis, Warsaw made the strategic decision to push for a much stronger and integrated European Union. The venue was Berlin in November 2011. The speaker was Sikorski,²⁵ who began by setting out Poland’s new vision of the EU, calling for a far-reaching reform of the institutions.

But it was his remarks about Germany that stunned the audience (and upset Polish nationalists). “What, as Poland’s foreign minister, do I regard as the biggest threat to the security and prosperity of Poland today, on 28th November 2011?” Sikorski asked. “The biggest threat to the security and prosperity of Poland would be the collapse of the eurozone,” he said. “I will probably be the first Polish foreign minister in history to say so, but here it is: I fear German power less than I am beginning to fear German inactivity. You have become Europe’s indispensable nation. You must not fail to lead. Not dominate, but

to lead in reform.” What a statement from a leading Polish politician. The country that had been invaded by the Germans in 1939 was now calling for the Germans to lead Europe.

Germany's Recalculations

According to the Bertelsmann poll, Germans like Russia far less today than they did several years ago. In contrast, Poland is viewed much more favorably than it was. This has implications for any European strategy toward Russia. In the past, the EU's strategic approach was shaped largely by Germany's goodwill toward Moscow. But now, Poland is an important player in the EU with considerable influence on policy.

In her approach toward Germany's immediate Eastern neighbors, Angela Merkel has been remarkably consistent. She has defined reconciliation and cooperation with Poland as strategic goals for Germany and pursued them with determination. Of course, Merkel's good personal relationship with Tusk has helped. But by now, the rapprochement between these two neighbors has gained momentum of its own. Even if there were a change in government either in Berlin or Warsaw, a return to the old attitudes of indifference and suspicion is not likely.

There could be tensions ahead, as Poland wants a much stronger European security and defense policy, and for that to happen, it needs the active support of Germany. The hope in Warsaw is that if Merkel is reelected, she will begin taking European security seriously.

As far as Russia is concerned, Merkel is leaving more business unfinished at the end of her second term in office. While she has been consistent in her skepticism of Putin's authoritarian rule, she has failed to draw up a new strategic concept to replace Ostpolitik. As a result, Germany's political elites remain divided on how to deal with Russia, and so will the EU. Whoever wins the German election in September needs to address this issue.

Complacency Is Not a Strategy

Germany's 2013 federal election will make the headlines all over the world. What happens in Europe's largest and most successful economy affects the rest of the continent and has repercussions further afield.

In dealing with the euro crisis, Chancellor Angela Merkel has set the policy for Europe. It is still too early to say if the austerity policies she has insisted upon for highly indebted countries will work. Still, at least in this area, she has accepted a leadership role.

More leadership will be required when it comes to Europe's future. The next German government must decide if it supports a more integrated Europe or one in which the member states continue to pursue their own national

interests. Either choice will have immense implications for Europe's role as an economic and political player. This decision will also entail determining whether the EU should be enlarged.

In other areas too, Merkel has been reluctant to lead and is complacent. Leadership is sorely needed in foreign and security policy. Merkel has seemed indifferent to the crisis facing the transatlantic relationship. And she has not taken any interest in what will become of NATO after it ends its combat mission in Afghanistan. Germany and the EU also need to think and act strategically in order to help stabilize and democratize their Eastern and Southern neighborhoods.

What is urgently needed is a security strategy. Such a doctrine must reflect the changes taking place not only in the United States but also closer to home, in Turkey, Russia, and the Middle East. The strategy must be European in outlook and outline the kind of security and defense structures Europe needs in order to defend and articulate its interests and values. Germany, with support from other countries, particularly Poland, should start taking the lead on all these issues. The same goes for building a new transatlantic relationship. Both are central to Europe's influence in the world.

Of course, in ways, Germany's struggles are larger than Merkel. German officials generally do not like discussing the idea of leadership. They saw what leadership did to Germany and Europe during World War II. But the past can always be used as an excuse not to assume the responsibility of leadership, especially with regard to foreign and security policy.

Yet, there is also a particularly German dilemma at work. During the euro crisis, it became apparent what an easy target Germany had become for populist movements in other EU countries. Seeing Merkel represented as a Nazi in newspapers and in demonstrations in Greece and Cyprus was a profound shock to some in Berlin. No doubt, Merkel has often presented her policies as lectures to debt-ridden European countries. But that does not detract from the issue Germany faces: If it exerts leadership, it is criticized for behaving like a hegemon. If it does not, it is criticized for being inward looking and egocentric.

Can a third Merkel term (or for that matter, another leader) escape this double-edged sword? Merkel is not afraid of leadership. If she were, she would not be where she is now. During her first term in office, Merkel had a real sense of purpose. She mended relations with the United States and Eastern Europe. Idealism moved to the fore as she put human rights at the center of her foreign policy, especially with regard to Russia. She was also driven by the need to address climate change, never hesitating to lobby the Americans to embrace the cause. Much of that enthusiasm has evaporated.

The longer Germany continues to duck these strategic issues, the longer Europe will remain a weak global power, unable to protect even the security of its citizens, let alone its political and economic interests in the world. That will be one of the central issues facing the next chancellor of Germany.

When President Barack Obama visited Berlin in June, he said that remembering history should not lead to a withdrawal from history. “I come here today, Berlin, to say complacency is not the character of great nations.” He could not have given a clearer message to Merkel as she headed into the election campaign.

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