MAKING UP FOR LOST TIME
GERMANY IN THE ERA
OF THE ZEITENWENDE

Kamil Frymark, Lidia Gibadło, Justyna Gotkowska,
Michał Kędzierski, Anna Kwiatkowska, Sebastian Płociennik
Contents

MAIN POINTS | 5

INTRODUCTION. WHAT ARE THE ORIGINS OF THE ZEITENWENDE, AND WHERE IS IT HEADING? (Anna Kwiatkowska) | 10

I. THE ENERGY ZEITENWENDE: GERMANY’S SUCCESSFUL SEPARATION FROM RUSSIA (Michał Kędzierski) | 22

II. DE-RISKING IS ENOUGH. THE GERMAN ECONOMY AND THE ZEITENWENDE (Sebastian Płóciennik) | 36

III. A LIMITED BREAKTHROUGH. THE ZEITENWENDE IN GERMANY’S FOREIGN POLICY (Lidia Gibadło) | 50

IV. GERMANY’S ZEITENWENDE AND THE FUTURE OF THE EUROPEAN SECURITY ARCHITECTURE (Justyna Gotkowska) | 65

V. FEAR OF CHANGE. THE SOCIAL COSTS OF THE ZEITENWENDE (Kamil Frymark) | 73
Main Points

- Chancellor Olaf Scholz’s proclamation of a ‘new era’ (Zeitenwende) on 27 February 2022 was determined by external factors, but it also resulted directly from previous strategic mistakes in Germany’s policy. Russia’s invasion of Ukraine, as well as the defenders’ resistance and fighting spirit, became the immediate trigger for initiating the changes. However, the deeper reason for the decision was the conviction that the previous strategy, namely the conscious and deliberate pursuit of the country’s prosperity and security based on cooperation with Russia, including the supplies of cheap Russian gas, had been a failure. From the point of view of Poland and the whole Central & Eastern European region, the most damaging part of that course was Germany’s persistent pursuit of a ‘Russia first’ policy in many areas, which failed to take into account either the changing external conditions or the interests of Germany’s allies in the EU and NATO.

- Following the proclamation of this ‘new era’, Germany has experienced a change in mentality, and also introduced tangible, radical reforms in selected spheres. However, both of these have only occurred in those areas that have been defined as essential, where a failure to refocus would endanger the security of the country and its citizens. In the medium and long term, the SPD-Greens-FDP cabinet is likely to incorporate the Zeitenwende concept into the implementation of its programme that forms part of the coalition agreement. The ‘coalition of progress’ had pledged a profound transformation towards a zero-carbon economy, an acceleration of the digital transformation, and efforts to break Germany of its investment and export dependencies.

- The narrative about the even more urgent need for radical changes will intensify by the end of the Scholz government’s term, and probably also in the years to follow (if the mainstream parties hold onto power). Against the backdrop of the ‘new era’ in politics (not only in Germany, but also around the world) and the current wartime environment, the government will depict these costly reforms as necessary sacrifices, but above all as investments in the future. This portrayal of the Zeitenwende and its priorities will be touted as the driving force for building Germany’s new economic (and by extension) political strength. The Zeitenwende project, understood as the modernisation of Germany and the reinforcement of its economic and political power, may also encompass the post-war reconstruction of Ukraine.
At present, the most striking expression of the ‘new era’ policy is Germany’s decoupling from Russia in the field of energy. As a result of decisions taken by either the West or the Kremlin, imports of the main raw materials (coal, natural gas and oil) from Russia were interrupted in 2022, which forced Germany to diversify its supplies at a lightning pace and high cost. Russia’s and Germany’s decisions also led to the severance of most business ties between them; the companies that had previously underpinned the alliance became the biggest ‘casualties’ of the decoupling. The German government’s decisions to nationalise Gazprom’s assets and seize control of Rosneft’s companies in Germany, as well as Russia’s decisions to take over Uniper and Wintershall Dea’s assets in Russia, were unprecedented. However, it is likely that in the longer term, should the West and Russia normalise their relations, elements of Germany’s economic and political elite will call for a restoration of trade cooperation with Russia, including the resumption of energy imports – although certainly not on the scale that was seen before 2022.

The gas sector is another part of the German energy industry where the Zeitenwende has brought about profound changes. The most important of these is the altered structure of German gas imports, which cover around 94% of the country’s demand. In 2022, Germany lost its largest gas supplier, Russia, which had accounted for around half of the country’s gas imports in recent years. The invasion of Ukraine and the resulting collapse of the concept of an energy alliance with Russia forced Germany to change its approach to creating the infrastructure for LNG imports, which it had not previously had. The federal government went into emergency mode and committed enormous funds when it took the decision to build Germany’s own terminals in record time and on an unprecedented scale. Implementing these plans will allow the country to become permanently independent from Russian supplies. At the same time, the discontinuation of Germany’s cooperation with Gazprom has forced it to look for alternative sources of imports. In this field the US has become the most important new partner, accounting for up to three quarters of gas imports to German terminals.

Neither the energy crisis related to Russia’s aggression against Ukraine nor the Zeitenwende policy have changed the basic assumptions of the German model for transforming the country’s electricity sector. These still include the desire to make this sector increasingly reliant on renewable sources and to continue & expand the complementary, bridging role of natural gas. The government’s narrative has even used the crisis as another compelling
argument for the accelerated implementation of the Energiewende, as previously agreed by the coalition partners.

- The Russian attack on Ukraine also prompted the SPD-Greens-FDP government to overhaul its foreign policy, mainly in the area of eastern policy (Ostpolitik). The SPD has dominated the discussion on its new shape, and the proposals so far indicate that despite seeing Russia as the main threat to Europe’s security, Germany is not ruling out a return to cooperation with it after the war ends, if political change occurs in the Kremlin, and if Russia renounces its imperial policy. At the same time, though, Germany has been reticent about supporting Ukraine’s ambitions for EU and NATO membership.

- The invasion of Ukraine has made it clear to Germany that it is now impossible to shape European security together with Russia. The German government has come to understand that it is necessary to strengthen NATO’s collective defence, increase the Alliance’s presence on its eastern flank, and arm Ukraine in the face of the Kremlin’s aggressive actions. Germany is now ready to bear the costs of investing in its own and NATO’s defence over the next few years, and of continuing military aid to Ukraine.

- The concept of a new security order in Europe that would imply a long-term, systemic and costly confrontation with Russia remains outside Germany’s thinking on European security for the time being. It appears that after the war ends and if changes occur in the Kremlin, the Chancellery would like to see a partial return to the post-Cold War project of shaping security in Europe with Russia’s participation to some degree. This attitude may be modified in the future if Washington’s stance changes, for example with the official termination of the NATO-Russia Founding Act and the granting of US security guarantees to Ukraine. This in turn may depend on domestic political developments inside Russia itself.

- The ‘new era’ has sparked a discussion on the limits of globalisation and economic dependence on autocratic countries. The issue of China, Germany’s foremost trading partner and a major destination for German investments, has attracted particular attention. The concept of decoupling, that is disengaging and reducing trade, has never been popular in Germany because of its economic costs. In the end, the idea of de-risking prevailed in the debate. This states that the government will protect critical infrastructure and high-tech companies from takeovers by foreign investors. In terms of
external relations, this is hardly a radical step: there is no question of scaling down ties with China, but rather of balancing them with new channels of cooperation, for example with India, African countries and Brazil. Hence, the Zeitenwende will lead to more globalisation rather than less.

- The Zeitenwende does not imply more German support for a radical deepening economic integration within the EU. Quite the contrary: the economic crisis is pushing Germany towards renationalising its tools for supporting the economy. Germany has seized the opportunity to increase state aid to its own companies while blocking the launch of a new EU fund for ‘strategic sovereignty’. There are several other indications that Germany is leaning towards putting the brakes on integration: it has refused to approve the creation of a common insurance for bank deposits or the finalisation of a banking union, and it has also maintained a hardline stance on the issue of reforming the EU’s fiscal discipline rules, which would allow indebted countries to choose more flexible and lengthier paths to debt reduction in order to boost investment.

- The war in Ukraine and the energy shock have pushed Germany into ‘stagflation’, that is, economic stagnation combined with high inflation. Disputes over how to respond to this crisis are one of the features of the Zeitenwende. The country has seen a resurgence of the conflict between supporters of economic liberalisation and advocates of interventionist ideas envisaging a greater role for the state. One attempt to break the stalemate is the concept of transformative supply-side policy, which combines the features of both approaches and grants the government a key role in boosting investments. Germany hopes that this will bring about a ‘new economic miracle’, although critics of the idea point to the growing risk of deindustrialisation and the weakening of Germany as a result of what they see as a misguided policy.

- The war in Ukraine has accentuated the existing differences between the east and west of Germany. The population in the west has seen and continues to see any changes and transformations as an evolutionary adaptation to new social and economic conditions. For the residents of the eastern Länder, this series of transformations (especially the one in 1989/1990) have entailed radical breaks with their previous patterns of behaviour, often forcing a U-turn in their lifestyles. The smaller resources of the former GDR’s population (the lack of savings, lower pensions and reduced mobility in the labour market) have added to their fears of transformation.
In the eastern Länder, there is a greater sense that people have no agency and that the state has lost control. As the country faces a new round of the refugee crisis involving people from Ukraine and other areas while the core Zeitenwende project (changes to the energy sector) sparks opposition, the anti-establishment AfD party has been gaining support.

- As time since the start of Russia’s full-scale invasion of Ukraine has passed, it is becoming increasingly difficult to convince voters that the changes are necessary. At the same time, avoiding deeper divisions among the population is a prerequisite for ensuring popular approval for the implementation of the Zeitenwende. However, the greatest threat to the progress of the transformations initiated in February 2022 comes from the labour shortage in the German economy. Unless tens or even hundreds of thousands of new workers can be recruited each year, major changes such as the transformation of the energy sector and the overhaul of the economic model will face delays or even prove unfeasible in many areas. The next debate about Germany as an immigrant state, especially in the context of the ongoing refugee crisis, will take centre stage in the campaign ahead of the Bundestag elections scheduled for 2025.
INTRODUCTION
WHAT ARE THE ORIGINS OF THE ZEITENWENDE, AND WHERE IS IT HEADING?

Three days after Russia invaded Ukraine in 2022, Chancellor Olaf Scholz raised many hopes with his statement about a turning point in history (Zeitenwende) and his implicit declaration that it heralded a new era in German politics.\(^1\) These hopes, as well as the belief that Germany’s strategy and even its entire strategic culture would change, were particularly vivid in Central and Eastern Europe, as well as in the US, where Germany’s policy to date had raised many questions.

We know today that the abrupt decision to make a ‘U-turn’ was prompted not only by Russia’s onslaught, but also by the conviction that Ukraine would fall quickly, and the resulting fear of having to confront an aggressive Russia standing at the gates of the EU. Germany had to prepare for a sudden and far-reaching reorientation of its course, as well as a discussion about Germany’s complicity in the outbreak of the war. It should be noted here that the Ukrainian forces’ heroic resistance against the Russian troops, their defiant stand and fierce defence of their country, as well as the aggressor’s ineptitude, surprised the Germans greatly. Consequently, their response gradually decelerated, the changes announced were diluted, and the government shifted to preparations for a prolonged conflict.

Apart from these immediate causes, however, there were deeper reasons for the proclamation of a ‘new era’ and a shift in Germany’s course. These stemmed from a simple conclusion: if you pursue a policy of no alternatives, without a Plan B or, even worse, without revising the strategic assumptions of your Plan A, you have no choice but to announce a U-turn in the event that the original project fails.

The assumptions of Plan A, which were in keeping with Germany’s strategic culture, arose from the post-unification euphoria and the belief in the ‘end of history’. After 1990, Germany was surrounded by partners and allies, and became preoccupied with integrating the two parts of the country, pursuing

---

\(^{1}\) In a speech to the Bundestag on 27 February 2022, Chancellor Scholz referred to the dawn of a ‘new era’ in the world, but not explicitly in German policy. However, his speech focused on various aspects of Germany’s policy and emphasised the need to revise it, so the message was clear: the state’s existing strategy had to change – a ‘new era’ was beginning for Germany as well. The speech in its entirety: ‘Regierungserklärung von Bundeskanzler Olaf Scholz am 27. Februar 2022’, Die Bundesregierung, bundesregierung.de.
reforms and creating prosperity through its export model of manufacturing high-tech goods and trading them with the world. As a mercantile state, it championed globalisation and called for the reinforcement of the principles of multilateralism and its institutions, including European integration. The EU’s enlargement to include the Central European countries, which Germany had advocated, greatly strengthened its importance both economically and politically. At the same time, the relative weakness of this region did not pose a competitive challenge to either Germany’s policies or its economy. Germany was not worried about its security and felt that it did not need to invest in it. It did not feel threatened militarily from any side as its protective umbrella was provided by the US and the country’s membership in NATO, which did not carry a large financial burden, and in any case afforded Germany the opportunity to refrain from fulfilling its obligations.

The paradigm of the need to build Europe’s security together with Russia, which was also shared by key allies such as France, became the top priority of Germany’s security policy. Another important thing was the conviction that economic ties always have a stabilising effect on political relations and that energy dependence – even on authoritarian regimes – works both ways: thus it is actually this interdependence which protects Germany from economic and political blackmail. Indeed, Germany was supposed to have rid itself of any such dependence through its energy transformation, which had been underway since the early 2000s and involved phasing out nuclear as well as coal power and making renewable energy (and, temporarily, Russian gas) the foundation of the country’s economic system. No less important in Germany’s strategic culture was the belief that the other countries on the continent, including Russia, shared the German vision and believed (or were well on their way to adopting this belief as their own) that cooperation, pacifism, dialogue and diplomacy would guarantee the preservation of peace. An additional component of this strategy, which had a moral as well as a firm political and economic dimension, was the conviction that Germany had come to terms with its infamous history in an exemplary manner, and that it had a special obligation arising from its guilt and responsibility for World War II. This mainly applied to Russia, and ignored other former Soviet states, particularly Ukraine and Belarus.

This attitude began to generate many tensions with Germany’s partners in the EU and NATO, but the country’s political and business elite had no intention of making any major course corrections. Germany did not seriously engage in

---

2 M. Menkiszak, Tell me more. Russia on Macron’s détente initiatives, OSW, Warsaw 2021, osw.waw.pl.
discussions about its trade surpluses with the US or the structural imbalances in the eurozone, and largely ignored calls for the country to fulfil its NATO obligations and spend 2% of its GDP on defence. German politicians also failed to notice – or rather were unwilling to draw any lessons from the fact – that Russia under Vladimir Putin had been steadily morphing into a dictatorship. Its apparatus was becoming more and more oppressive towards its own citizens and revisionist in relation to its foreign partners, with increasingly neo-imperialist and aggressive goals towards its neighbours. Germany failed to implement a Plan B, or even to acknowledge that reality had refuted the basic assumptions of their Plan A, which they still considered to be ideal or requiring minor adjustments at most.

**The ‘Russia first’ policy as the critical mistake of German strategy**

From the point of view of Poland and the countries of Central and Eastern Europe, we can identify three major mistakes of German policy. The first one, which led to the other two, was the stubborn adherence to the ‘Russia first’ principle in many areas, regardless of the changing determinants. When we ask about what German policy and business was focused on in its perception of Eastern Europe, including after the country’s reunification and even after the EU enlargement in 2004, the answer is: Russia. German strategic thinking was dominated by Russia and its natural resources, Russia and its mythical market (in the sense of its allegedly vast potential), and finally Russia and its sense of security along with its perception of threats.

This fixation led to repeated offers of strategic economic cooperation and ‘modernisation partnerships’ as well as the formation of energy alliances and the development of competitive advantages on the gas market through Nord Stream 1 and Nord Stream 2 (the latter was completed but never put into operation). Finally, there was the pipe dream of building a European security system with the Russian Federation, which was also attempted at the EU level. The plans for economic cooperation with Russia did not change in any

---

3 From 2008, the Modernisation Partnership, which was initiated by the then head of the foreign ministry and the current German president Frank-Walter Steinmeier, was the most important project in German-Russian relations. It was designed to strengthen cooperation in areas such as energy, climate protection and research. Although a project under this name was also set up between the EU and Russia in 2010, it soon became clear that the latter was only interested in the transfer of technology and investment, but not in democratic standards, and had no intention of strengthening its democratic institutions or opening its market to Germany’s small and medium-sized companies, which was another objective of German policy.

4 For example Germany, acting as Russia’s advocate in the EU, proposed a new project (the so-called Meseberg initiative) in June 2008, a few days after the EU-Russia summit. The idea was to set up
significant way, even in the face of events and processes such as Putin and Dmitri Medvedev’s presidency swap in Russia, the war in Georgia in 2008, and Russia’s involvement in the Syrian war on the side of Bashar al-Assad’s regime. Even Russia’s annexation of Crimea and the Russian-instigated war in the Donbas in 2014 did not undermine Germany’s desire to forge closer energy and economic ties. Likewise, no radical steps were taken to change Germany’s policy towards the Kremlin in the wake of numerous Russian cyberattacks against the government and the Bundestag, Russia’s interference in German election campaigns (for example in 2017) or the assassination of a Georgian citizen by Russian services in Berlin.

The second strategic mistake concerned the attitude towards Ukraine, especially after 2014. The fact that the Kremlin’s version of the story about the annexation of Crimea and the attack on Ukraine has penetrated the German consciousness must be considered a great success for Russian foreign policy. As Professor Timothy Snyder has aptly pointed out, Russia has succeeded in confusing the story as much as it could, and making it so vague that it was no longer clear who was defending, who was attacking, what the objectives of either side were, or even who these sides represented. This message has reached the wider public and, despite being primitive, has begun to have a strong impact: “Ukraine has never been a real state, Ukrainians are not a real nation, and even if they are a nation, they are corrupt, and even if they are a state, this state is close to collapse. And in any case, they are all Nazis there”. In this way, the officials of the state that has increasingly resorted to fascist rhetoric, scored repeated successes in the art of corruption and failed to hold free and fair elections, and where political assassinations are commonplace, have managed to manipulate a part of the global public opinion, including politicians from Germany, and to attribute most of their own flaws and deficiencies in Russia’s political system to the Ukrainian people.

---

5 While something that was defined as a ‘technical break’ did occur, this had little impact on economic ties. See A. Kwiatkowska, Germany on Russia. Yes to links, no to rapprochement, OSW, Warsaw 2014, osw.waw.pl.
8 T. Snyder, Germany’s Historical Responsibility for Ukraine, a lecture in the Bundestag on 20 June 2017, per: marieluisebeck.de.
Professor Snyder has also convincingly explained why the Germans have fallen so easily for such propaganda. For a long time, they were effectively fed another Russian narrative which fitted in perfectly with Germany’s reckoning with history: the Soviet Union and then Russia monopolised the role of the main victor as well as the main victim of World War II. This story omitted the Molotov-Ribbentrop Pact, which remained unknown or even a taboo for the wider public. In this telling, there was no joint Soviet-German invasion of Poland, and there was no place for the Ukrainians and Belarusians who suffered far greater war casualties than the Russians – they disappeared from the German memory. Even just a few weeks before the 2022 invasion, educated people and senior politicians in Germany spoke of ‘more than 20 million Russian victims of World War II’, while others invoked the argument of Germany’s guilt and obligations towards Russia to promote special relations with that country and even specific economic projects. This view spread so widely and became so deeply entrenched not only because of the efficiency of the Soviet (and then Russian) diplomatic service, but also because it was convenient for the German government and justified the pursuit of a unique relationship with Russia.

The third mistake of the German strategy must be considered as fundamental, particularly with regard to Poland and the Baltic states. The source of this approach lies in the prioritisation of dealings with Russia. This effectively meant that a third country, not bound to Germany by key alliances in the European Union and NATO, had more say in shaping German policy than its closest allies and partners, as the interests of that country were considered more important. The situation that Poland, Lithuania, Latvia and Estonia found themselves in bordered on the absurd. Poland’s grateful memory of Germany as an advocate and supporter of its membership in NATO, and later in the EU, was still vivid when the decision to build the Nord Stream 1 gas pipeline was announced in 2005. Despite justified objections from the countries in the region, this project was consistently pursued and even portrayed as a politically insignificant endeavour that would bring economic benefits to the EU as a whole. In addition, in the area of security policy, Poland and the Baltic states were confronted with reports of meetings in a German-French-Russian triangle

---

9 Ibidem, and in Snyder’s lecture series at Yale University entitled The Making of Modern Ukraine, youtube.com.

10 See for example Steinmeier’s interview with the Rheinische Post of 6 February 2021, in which he stated that energy ties are one of the last bridges connecting Germany with Russia, and pointed out that Germany must take into account the historical dimension of relations between the two countries, including the Third Reich’s attack on the Soviet Union. The statement caused an outcry in Ukraine and elsewhere.
(for example in Deauville, France in 2010) which discussed issues such as the European security architecture and the construction of a training centre for the Russian army by Germany’s Rheinmetall in Mulino near Moscow.

Germany failed to conduct a profound review of its strategy even after the annexation of Crimea, which seemed to undeniably prove that Europe was facing a major security crisis. This phase of the crisis provided Germany with an opportunity for a new opening in relations with its partners and its closest eastern neighbour, Poland. Instead, as a result of the efforts of the influential pro-Russian lobby, the uncritical belief in building interdependence and the option of relying on Russian gas for Germany’s energy transition gained traction instead of fading away. Consequently, Germany signed an agreement to build more Nord Stream pipelines, which convinced Poland even more that its most important ally in Europe was pursuing a policy that undermined its security.

**The Zeitenwende in progress**

In response to the outbreak of war on 24 February 2022, which exposed the failure of Germany’s Plan A, Chancellor Scholz, at a specially convened meeting of the Bundestag, announced unprecedented decisions on changes to Germany’s domestic and foreign policies. These included an agreement to dramatically increase defence spending, with the creation of a €100 billion special fund and the allocation of more than 2% of the country’s GDP to defence annually. He also announced plans to achieve energy independence for Germany by building LNG terminals and speeding up the development of the renewable energy sector. This U-turn in Germany’s policy towards Russia involved not only a harsh and up-front condemnation of its actions, but also a suspension of the certification process for the Nord Stream 2 gas pipeline, the approval of plans to exclude selected Russian banks from the SWIFT clearing system, and an agreement to supply weapons to Ukraine.

After the initial shock caused by Russia’s aggression against Ukraine and the outbreak of full-scale war between the two largest countries in Europe, Germany has given the name Zeitenwende (a new era) to this process of revising its policies. Therefore, it is appropriate to ask about the future of this idea, and whether it can be regarded as Germany’s strategic plan in the years to come.

A year into the ‘new era’, we can certainly say that Germany has experienced a change of mentality and also introduced tangible, radical reforms in selected spheres. However, these have only occurred in those areas that have been defined as essential, where a failure to refocus would have endangered the security of the country and its citizens. To this end, Germany has so far:

- expanded its imagination: that is, it has recognised that even unimaginable scenarios can come true, and therefore it is necessary to prepare for them: for example, Germany (just like any other country) can be blackmailed by Russia;

- pushed through reforms, mainly in the energy sphere (such as replacing Russian gas and its transport routes with LNG from floating and onshore gas terminals): given the wartime environment, this has been (partly so far) carried out at lightning speed and with the deployment of enormous resources.

On the other hand, there has been no major mental shift on the issue of accountability for the past policy, or the prosecution and punishment of those responsible for its creation at the behest, or at least under the influence, of Gazprom. This is demonstrated not only by the impunity of former Chancellor Gerhard Schröder, but also by the case of the Minister-President of Mecklenburg-Vorpommern, Manuela Schwesig, and the ‘climate foundation’ set up by that federal state’s government to advance the interests of the Russian gas monopoly. Although a commission of inquiry has been looking into the matter, the local branch of the SPD is bent on sabotaging its work, while Schwesig’s popularity remains unabated.

Nor has there been any tangible change in Germany’s attitude towards the Central and Eastern European countries and the calls that they should be treated as partners. It turned out that the governments of these countries perceived and assessed Russia’s strategy more accurately, and rightly perceived the US as the only guarantor of European security. A part of the German political elite has acknowledged the superiority of the CEE countries’ expertise and conduct, but this has not been followed by sufficient consideration of their views in shaping Germany’s current course (vide the issue of Ukraine’s membership

---

in NATO or forging a new European policy towards Russia). It is hard not to get the impression that Germany continues to offer the countries of Central and Eastern Europe its ‘tutelage’ at best, and possibly its ‘assistance’ in representing their interests, instead of an equal, partner-like approach. Many countries interpret this as an incapacitating degree of paternalism.\textsuperscript{14}

Immediately after Ukraine repelled the Russian attack in the first weeks of the invasion, investments in rebuilding the Bundeswehr were no longer seen as crucial and necessary. As such, they will drop down the list of goals to be achieved with the ‘German speed’ that Scholz boasted about when the projects to build floating LNG gas terminals were being implemented.

**The future of the Zeitenwende: a logo and a vehicle for German reforms at home and in the EU**

In the medium and long term, the SPD-Greens-FDP cabinet is likely to incorporate the Zeitenwende concept into its programme as part of the coalition agreement.\textsuperscript{15} Upon taking power, the ‘coalition of progress’ declared that its main task would be to put an end to the stagnation and unquestioning defence of the status quo of Angela Merkel’s government, while also pledging profound reforms in almost all areas of the state’s functioning. The radical transition towards a zero-carbon economy, the acceleration of the digital transformation, the severance of investment and export dependencies: these were all correctly defined in the coalition agreement as tasks that pose major social and economic challenges and also require revolutionary overhauls and massive investments. A distinctive narrative will emerge by the end of the coalition’s current term, and probably also during the next ones – if the mainstream parties hold onto power. At its core will be the assertion that the ‘new era’ in politics (not only in Germany, but also in the world), as well as the current wartime environment, make radical changes:

a) even more urgent,

b) necessary, even if they entail considerable costs (both financial and social),

c) more of an investment than an expense.

\textsuperscript{14} Nota bene, residents of the eastern Länder and Germans with migrant backgrounds also complain about such treatment in Germany itself. Therefore, it can be assumed that this is a kind of *modus operandi* which German politicians often use.

\textsuperscript{15} ‘Niemiecka umowa koalicyjna – plan modernizacji państwa’, OSW, 26 November 2021, osw.waw.pl.
This portrayal of the *Zeitenwende* and its aforementioned priorities, which are reflected in the government’s programme, will be touted as the driving force for building Germany’s new economic (and by extension political) strength.

The concept of the narrative that turns the *Zeitenwende* into a ‘super-reform’, a ‘reform of all reforms’, and the driving force of Germany’s development has a number of advantages from the point of view of the decision-makers who have to manage the process of instituting these profound changes in the country. Firstly, it could make it easier (although still far from easy) to win public support for these transformations, which will inevitably require many sacrifices. Secondly, it will push aside the uncomfortable issues that were hotly debated at the beginning of the Russian invasion, centring on Germany’s mistakes in security policy (the neglect of the Bundeswehr), foreign policy (the ‘Russia first’ policy, similar degrees of economic dependence on Russia and China) and energy policy (the growing dependence on the Russian regime). This will not only provide an opportunity to mute the calls for accountability for these strategic blunders and the failure to come up with alternatives; it will also offer an excuse to shift the focus away from issues that are no longer defined as the most urgent, such as the reform of the Bundeswehr and the country’s security policy. These reforms will not be scrapped, but the pace of their implementation will drop from revolutionary to one that is more typical for adjustments (even if far-reaching) to the existing model (see Chapter IV).

Thirdly and finally, Germany hopes to strengthen itself economically thanks to the transformations it chooses to focus on: the digital and energy revolutions, finding new sources of economic development, and adapting to the new model of globalisation with a pivotal role for China (see Chapters I, II). This will allow Germany to continue exercising leadership in the European Union, which it wants to transform into a regional power which can govern the world in the ‘new multipolar international order’ (see Chapter III). It should be noted that German politicians are now speaking openly about this exercise of leadership; this marks a major change compared to the previous period, when most of them (led by Merkel) avoided such words and went no further than to articulate the need for German responsibility (although in reality they were managing and directing many processes in the EU). This dissonance

---

16 L. Gibadło, J. Gotkowska, ‘Germany’s first national security strategy: the minimal consensus’, *OSW Commentary*, no. 519, 26 June 2023, osw.waw.pl.

17 As Germany’s economy grew stronger at the turn of the 2000s and 2010s (whether due to its own reforms, such as Agenda 2010, or owing to the course of the financial and euro crisis), high-profile
between the realities of decision-making processes in the EU and the rhetoric of restraint irritated many observers and participants in European politics. This has now changed, and Germany is openly proclaiming its desire to lead, including in the field of European defence. On a side note, an interesting correlation can be observed: under Merkel’s government, a strong and rising Germany avoided overtly proclaiming this need; now it does so readily, even though it is economically weaker and its credibility has taken a hit from the exposure of its strategic mistakes and its initial procrastinating response to the Russian onslaught on Ukraine, including its inadequate assistance (especially in terms of military aid) to this country.

The Zeitenwende project, understood as the modernisation of Germany and the reinforcement of its economic and political power, may also encompass the reconstruction of Ukraine and the establishment of a kind of strategic partnership with this country. Germany will support Ukraine on an ad hoc basis, employing its usual method of providing development aid worldwide. The win-win principle, whereby both the beneficiary countries and German companies reap rewards, would ensure benefits not only for Ukraine, but also for Germany. The latter would get a powerful boost to its development in view of the enormity of this project: after all, we are talking about the reconstruction of an entire country. In the long term, for many German businesses this ‘Ukrainian’ boost could replace their dreams of a ‘Russian’ boost, that is, tapping into the mythical potential of the Russian market. In this sense, Ukraine could become a ‘new Russia’ for Germany (not to be confused with Putin’s dream of ‘Novorossiya’): cooperation with this country will provide Germany with the advantages that the supposed energy interdependence and cooperation with the Russian Federation offered and was expected to offer – and even more. This does not mean, of course, that Germany will forgo cooperation with Russia altogether, especially if the latter turns back from its current neo-imperial path of ‘development’.

Ukraine will likely be eager (for its own benefit) to play an important role in strengthening Germany’s economic clout. However, this will also require social changes within Germany itself. German politicians will have to manage the tensions that have built up and will continue to do so after taking in a million Ukrainian war refugees within a short space of time. The cumulative effect

politicians increasingly claimed that ‘German is now the language of Europe’, meaning that Germany was setting the tone for the continent (such as Volker Kauder, head of the Christian Democrats in the Bundestag at the time).

18 K. Frymark, Development co-operation, made in Germany, OSW, Warsaw 2015, osw.waw.pl.
of their influx and a significant increase in regular asylum applications from other countries has led to conflicts over the availability and redistribution of resources and goods (housing, places in schools, social benefits). The polarisation of the population is particularly easy to see in the east, where living standards remain lower than in the western federal states. In the eastern Länder, this has been accompanied by less willingness to help Ukraine and high support for the Alternative für Deutschland (AfD), which has been spreading Russian propaganda there (see Chapter V).

**The new historical debate: an unintended consequence of the Zeitenwende**

Germany’s shift towards cooperation with Ukraine may trigger a historical discussion worthy of the great debates that Germany has witnessed and participated in every decade or so since the end of World War II. These debates are an inherent part of Germany’s political culture, and they have largely shaped the public’s historical awareness and perception of the past. At least a dozen such debates have taken place, focusing primarily on reckoning, guilt and responsibility for the course and consequences of the world wars. This time, such a debate would likely be devoted to colonialism and German imperialism, albeit in the east of Europe rather than in Africa, as the latter aspect already features in the domestic discourse, both historical and political.

In its broadest scope, this new debate would be about Ukraine, and certainly also about Poland. It is even conceivable that there will be a synergy between the debate about German colonialism and imperialism in the east under Adolf Hitler and the discussions (which are already taking place) about offering compensation for the consequences of the crimes that Germany committed in Poland.

The emergence of such a debate seems likely, firstly because the above-mentioned facts about the history of Ukraine and its falsification by Russian propaganda

---

19 The 1960s marked the beginning of various historical debates, including the ‘dispute over Fischer’s theses’, the dispute between historians over the essence of Nazism, the discussions about the meaning of the date of 8 May, and the Walser-Bubis debate on the German attitude to the Holocaust. Over the decades, every controversial topic, especially those related to World War II, has triggered high-profile debates. Most of them resonated with the public and influenced the formation of ‘German memory’. They also showed how the perception of various historical events changed radically over time. This is particularly evident in the shifting perception of 8 May 1945: from the day of defeat and one of the darkest dates in German history to a day of liberation and even victory. This shift also signalled the desire to complete the historical reckoning, which was later confirmed by the Walser-Bubis debate. See A. Kwiatkowska, *It’s not (only) about Erika Steinbach. Three myths in the German discourse on the resettlements*, OSW, Warsaw 2010, osw.waw.pl.

20 ‘Völkermord an Herero und Nama: Abkommen zwischen Deutschland und Namibia’, Bundeszentrale für politische Bildung, 22 June 2021, bpb.de.
have reached wider public opinion during the current Russian-Ukrainian war. Secondly, the knowledge about Germany’s special historical responsibility towards Ukraine, the ‘granary of Europe’ that was the main target of the Third Reich’s invasion of the Soviet Union in 1941, has also begun to filter through.  

Thirdly, the example of the Russian invasions of Ukraine in 2014 and 2022 is helping Germany understand how knowledge of history – or the lack thereof – can influence current politics. And fourthly, launching such a discussion will become the focus and ambition of many German historians and scholars of Eastern Europe, who have recently come to prominence and gained immense popularity, and whose expertise is finally in demand. Many of them belong to the younger generation and intend to stay active for many years to come; they are adept at using social media tools to reach the wider public.  

This report is not only a record of the events following Russia’s invasion of Ukraine and the outbreak of full-scale war in Europe in 2022. It is also an attempt to understand whether and how German policy has influenced these developments, and what consequences this conflict will have for Germany. Above all, however, the aim of this publication is to critically analyse both the changes that are currently taking place in Germany and the evolution of the Zeitenwende project (the U-turn in the country’s policies and economy) in the near future and in the new, emerging international order.

ANNA KWIAKTOWSKA

---

22 Various educational projects have been launched with the aim of deepening knowledge of Ukrainian history and Ukrainian-German relations: for example, a special history website of the German-Ukrainian Historians’ Commission was created at ukrainianhistoryportal.org.
23 See for example Ostausschuss, salonkolumnisten.com/ostausschuss/.
I. THE ENERGY ZEITENWENDE: GERMANY’S SUCCESSFUL SEPARATION FROM RUSSIA

The energy sector, in particular the gas sector, is one of the areas of German state policy in which the energy crisis caused by the Russian invasion of Ukraine and Chancellor Olaf Scholz’s Zeitenwende policy have brought about lasting systemic change. The Kremlin’s actions were intended to increase chaos in the European energy sector, and some of them were aimed directly at Germany. But in the end they have served only to reveal the failure of the concept of a multifaceted energy alliance between Germany and Russia which Berlin had promoted over previous years. The German political and economic elites were forced to fact-check and debunk all the main myths on which this policy was based, and to initiate emergency actions aimed at making Germany independent of Russia as regards fuel supplies. As a consequence, the political decisions taken by these two countries have resulted in the severing of most of their former ties in the field of energy. The loss of its largest gas supplier has urged Berlin to build up Germany’s LNG import infrastructure at an accelerated pace, on an unprecedented scale and at enormous cost, so that the country can permanently abandon Russian gas.

However, the Zeitenwende policy does not always involve actions which require an about-turn in specific areas. As regards energy transition, the previous strategy has not been modified. Moreover, the energy crisis is being used in the official narrative as another strong argument in favour of the accelerated implementation of the Energiewende, as previously agreed on by those in power.\(^1\)

Although Germany’s energy decoupling from Russia is profound, and the measures launched thus far will enable Germany to become permanently independent of Russian fuel supplies, it cannot be ruled out that in the longer term, should the relations between the West and Moscow normalise, a portion of the German economic and political elite will seek to revive the bilateral trade relationship, including the resumption of fuel imports, albeit certainly not on such a large scale as prior to 2022.

---

\(^1\) Germany’s energy transition (Energiewende) is one of the most important political-economic projects being carried out by contemporary Germany. It envisages gradual efforts to replace conventional sources of energy with renewable ones in the electricity generation sector, and its ultimate goal is to base this system 100% on the use of RESs. The most important elements of this process include the phase-out of nuclear power (completed in mid-April 2023) and coal (planned for the 2030s). One of the basic assumptions of the Energiewende involves using natural gas as a transition and backup fuel for RES until the system as a whole is fully based on renewable sources, in line with the initial concept.
Germany’s energy dependence on Russia

Over the last two decades, Germany’s energy policy relied on its strategic partnership with Russia. According to the German political and business elite, it was mainly intended to enable the German economy to meet its growing demand for gas at an attractive price, which was particularly important for the global competitiveness of Germany’s gas-intensive industrial sector. Secondly, it facilitated the implementation of the energy transition according to plan; and thirdly, it allowed Germany to increase its role as a European gas hub. Manifestations of this alliance included the much-publicised joint infrastructural projects (the Nord Stream 1 and 2 gas pipelines); Russia’s alarming, steadily increasing share in German imports (55% in 2021); and far-reaching business ties between the key energy companies from both states. These were apparent, for example, in the exchange of assets in the energy sector, such as when Gazprom Germania became the owner of Germany’s biggest gas storage facility (Rehden), and Wintershall Dea took over a stake in gas fields in Siberia. It was precisely companies such as Uniper and Wintershall Dea, whose main stakeholder is BASF, that were the biggest beneficiaries and advocates of this alliance.

The problem of Russia’s growing influence on the German gas sector was downplayed in Germany for many years. The elite’s views were dominated by two myths: the first one suggesting that there is a community of interests which generates mutually beneficial interdependences between the two states, and the second presenting Russia as a strong and reliable supplier. They produced the conviction that Moscow would not risk losing the economic benefits which resulted from this alliance in the pursuit of its current political goals. This in turn discouraged Berlin from offering genuine, rather than merely declarative support to the initiatives involving the construction of LNG terminals to facilitate the diversification of supplies, as this was viewed as unnecessary.

German-Russian energy cooperation flourished not only in the natural gas sector, as Russia was also Germany’s biggest supplier of oil (in 2021 it accounted for around 33% of the supplies) and hard coal (around 50% in 2021). Berlin also proffered no objections to the expansion of the Russian oil company Rosneft in Germany. As a consequence, this company became the co-owner of three big German oil refineries (for example, it acquired more than half of the stake in the PCK refinery at Schwedt near the Polish border, and became Germany’s third biggest oil company in terms of the volume of oil processed).

2 For more see M. Kędzierski, ‘A dangerous dependence on Russia. Germany and the gas crisis’, OSW Commentary, no. 427, 23 February 2022, osw.waw.pl.
A year of crisis management

Russia’s invasion of Ukraine and the resulting political breakdown in the relations between the West and Moscow confronted Germany with the prospect of an unprecedented energy crisis. The question of the future of Russian fuel imports was raised as early as the first few days of the war. On the one hand, there was a rise in pressure both internal (from some politicians, experts and commentators) and external (from Germany’s allies, including Poland) to stop these imports by introducing an EU-wide embargo. On the other hand, the risk that Moscow itself could halt these supplies was viewed as increasingly likely.

Due to Russia’s significant share in Germany’s hard coal, oil and natural gas imports, any potential, abrupt cessation of the inflow of these commodities, whether as a result of the West’s decision or on the Kremlin’s initiative, would have exposed the German economy to serious economic losses resulting from price hikes, and would have posed a genuine threat of shortages, at least at the regional level. Numerous analyses suggested that in this scenario Germany’s GDP could have decreased by anything from 0.5% up to 12%. The fear of the economic consequences was one of the main reasons why Berlin opposed the plan to introduce an embargo on Russian fuels at the beginning of the war. Ultimately, under pressure from the public and the allies, it supported the EU’s proposed embargo on hard coal and oil imports. However, in order to win some time, Germany needed to implement preparatory measures, and so it took part in negotiations and agreed to set the deadline to introduce this embargo at the summer of 2022 (for hard coal) and at the end of the same year (for oil).

From Germany’s point of view, the most difficult situation was recorded in the gas sector. At the beginning of the war it turned out that, due to many years of neglect, that no infrastructure was in place to enable Berlin to quickly replace Russian gas with gas imported from other suppliers. There was widespread fear that an embargo would lead to a serious gas shortage which would particularly affect the German industrial sector, as this sector would be the first ‘victim’ of the rationing of supplies which would be necessary in this situation. This was the main reason why Berlin consistently refused to support

---

3 A GDP decline of 0.5–3% was forecast by a group of economists from the universities in Bonn and Cologne, while a drop of between 3% and 12% was predicted by the Macroeconomic Policy Institute of the Hans Böckler Foundation.
an EU-wide embargo on Russian natural gas imports, and instead declared its intention to reduce its gas purchases gradually, abandoning them completely by mid-2024.4

This was the aim of the plan for the emergency construction of infrastructure to import liquefied natural gas. To replace Russian standard gas supplies with LNG during the transition period, Germany leased five so-called floating LNG terminals, two of which (in Wilhelmshaven and Brunsbüttel) were put into operation at the turn of 2023, and three more (Wilhelmshaven 2, Stade, Rügen) are expected to be inaugurated in winter at the turn of 2024. A total of almost €11 billion has been allocated from the German budget (for 2022–38) to finance the lease, installation and operation of these five state-leased units. Another such facility is the privately-owned floating LNG terminal in Lubmin, which has been in operation since the beginning of 2023. The effort involved in procuring the terminals was unprecedented by German standards. In order to ensure their smooth launch within just a few months, several new laws were enacted: these included a special law which greatly simplified and shortened the procedures, formerly very complicated, for obtaining construction permits, carrying out environmental impact studies and public consultations.

In spring 2022, as the prospect of a halt in gas supplies from Russia became increasingly realistic, Berlin also launched a series of preparatory measures as part of its crisis management strategy. On the one hand, these served to prepare the German economy for a potential gas shortage. A state of emergency was declared in the gas sector (Germany was the first EU country to do so), and regulations and guidelines were introduced to manage any possible need to ration supplies. On the other hand, these measures were intended to minimise the risks and costs linked with the potential worst-case scenarios.

Firstly, instruments were put in place to reduce gas consumption in all sectors of the economy. This referred in particular to the energy sector, where the main emphasis was placed on replacing gas with coal (by temporarily reactivating or prolonging the operation of a total of around fifteen coal-fired back-up power plants and power plants which had been earmarked for shutting down). Several measures were implemented in the industrial sector, including facilitated procedures for replacing gas with other energy carriers. In addition, both federal- and state-level authorities introduced various restrictions and

guidelines for saving gas and electricity (for example, this involved reducing the degree of heating in buildings and the illumination of monuments, as well as closing swimming pools and ice rinks).

Secondly, Berlin decided to carry out emergency purchases of gas on global markets to store it for the winter. Using federal budget funds, the German gas hub THE bought a total of nearly 5 bcm of gas for €8.7 billion. This gas was mainly bought in summer on the spot market, when the price was very low, even though the cost was irrelevant as the political priority was to fill the gas storage facilities before the start of the heating season.

Thirdly, Germany launched administrative proceedings to take over Russian-owned strategic assets in the gas sector (the Gazprom Germania Group) and the oil and fuel sectors (two companies belonging to Rosneft). To achieve this, for the first time in Germany’s history, the instrument of a trust was applied against a privately-owned business.5

Starting from May 2022, initially on the basis of its own sanctions targeting selected companies, and later using the pretext of technical problems, Moscow gradually reduced its gas supplies sent via pipelines to Germany; finally, at the end of August, it halted them completely. Less than a month later, an explosion damaged both lines of the now-defunct Nord Stream 1 pipeline and one of the two lines of the still uncommissioned Nord Stream 2 pipeline.

Just as in other European countries, in Germany the energy crisis triggered unprecedented hikes in the prices of electricity, natural gas and fuels, which in turn resulted in high inflation rate and social discontent. To fight the consequences of the crisis, in 2022 Berlin implemented a total of three assistance packages worth many billions of euros, and finally, at the end of the year, it set up a ‘financial umbrella’ worth a total of €200 billion. These funds are being used to finance initiatives such as the freezing of energy, gas and heating prices for households and businesses. Other solutions implemented included measures approved by the European Commission and intended to stabilise Germany’s key energy companies, Uniper and SEFE.

Ultimately, thanks to both these measures and certain favourable external factors (in particular a mild autumn and winter), Germany managed to avoid the

5 A similar (although not identical) instrument was applied in 1990 to manage the state-owned property of the former German Democratic Republic. The Trust Office (Treuhandanstalt) established back then was responsible for privatising these assets or winding them down when unprofitable.
scenario of fuel shortages in late 2022 and early 2023. However, it is still unclear how the situation will develop in the next heating period. Some experts and energy sector representatives have warned that in the event of a combination of negative circumstances (a long and cold winter, reduced availability of LNG on the global market, sabotage activities, and technical failures of elements of strategic infrastructure), the occurrence of a gas shortage in 2024 cannot be ruled out.

The failure of Berlin’s energy alliance with Moscow

One of the most important manifestations of the Zeitenwende, that is, the policy of a new era announced by Chancellor Scholz following the Russian invasion of Ukraine, involves the failure of the concept of a multifaceted energy alliance with Moscow which had consistently been implemented in previous years. The political crisis linked with the Russian invasion has debunked the basic myths promoted by the supporters of this form of cooperation. Firstly, contrary to what the German elite believed, the dependency resulting from the network of ties turned out to be asymmetrical, to Germany’s disadvantage – Germany was much more dependent on Russia than vice versa.

Secondly, the image of Moscow as a stable and predictable supplier and partner with which other countries can cooperate in order to build their political and economic strategies, has collapsed. As early as the months immediately preceding the war, Gazprom’s actions (especially its decision to empty out its gas storage facilities located in Germany) triggered Germany’s shift in its perception of Russia as an energy partner. Moscow increasingly came to be viewed as a threat, and the former policy of close alliance, which had de facto led to Germany’s dependence on Russia, was now considered a strategic mistake. At this point, however, it is worth noting that there are quite a few individuals in the German elite, especially among the architects of the former policy, who do not question Germany’s close cooperation with Russia in the pre-war years as such, although they do admit that it went too far, and that greater effort should have been made to diversify supply sources and, above all, to build up the country’s LNG import infrastructure.6

Thirdly, it became evident that the Kremlin was willing to sacrifice the mutually beneficial business relations and the resulting profits on the altar of

6 This opinion was voiced by former Chancellor Angela Merkel and the present Chancellor Olaf Scholz: see for example ‘Scholz verteidigt Merkels Russlandpolitik’, Frankfurter Allgemeine Zeitung Online, 19 June 2022, faz.net; ‘Jetzt bin ich frei’, RedaktionsNetzwerk Deutschland, 17 June 2022, rnd.de.
its strategic political goals, and to use the advantages gained in mutual relations to target Berlin and put pressure directly on Germany’s decision-making processes. The new element was not the fact that in energy relations Moscow was ready to use the instruments available to it to achieve its short-term political goals, but that it decided to launch such measures not only against its neighbours such as Ukraine and Poland, but also against Western European states, in particular Germany. Russia’s actions, both the indirect ones resulting in a pan-European energy crisis and those intended to target Germany directly, have caused huge financial losses for German companies and households, and dealt a major blow to the German federal budget and the local government budgets. At present, although it is difficult to estimate the cost precisely, it is clear that the burden shouldered by German taxpayers already stands at hundreds of billions of euros. The cost of the so-called financial umbrella and the three anti-inflation assistance packages alone amounts to almost €300 billion. Berlin has earmarked a further almost €11 billion for the floating LNG terminals which needed to be procured quickly, and just under €9 billion for the emergency purchases of gas for storage in 2022. For comparison, the financial contribution provided by German companies to the construction of Nord Stream 2 (in the form of loans) amounted to less than €2 billion.

Following the outbreak of the war, the former German-Russian energy alliance increasingly transformed into a regular energy war. Both sides took political decisions which actually degraded the previous achievements of this cooperation; these affected in particular the companies that had served as foundations of this collaboration and were responsible for its practical aspects. The most spectacular examples on the Russian side include the gradual reduction and eventual halt in gas supplies sent to Germany, which came as a major blow to numerous German gas importers and put the largest of them, Uniper, on the brink of insolvency. Other examples were the decision to strip the German upstream company Wintershall Dea of its assets in Russia, and Moscow’s takeover of Unipro, the subsidiary company of Uniper which owns several heat and power plants in Russia. On the German side, one important move involved stripping Russian companies of control of their assets in the German gas sector (Gazprom Germania, GG) and the oil & fuel sector (Rosneft Deutschland and RN Refining & Marketing) by placing these companies under trusteeship (which was exercised by the German state regulator, the Federal Network Agency BNetzA). In the case of GG, Berlin subsequently decided to nationalise it without compensation. It now operates as a German state-owned company under the name Securing Energy for Europe (SEFE).
This has resulted in the gradual dismantling of the network of links built up over previous decades between key German and Russian energy sector companies and their business activity in both countries. Bilateral cooperation in the energy sector has regressed to the level it was at several decades ago. It should be noted that the companies most affected by this crisis on the German side include businesses such as Uniper and Wintershall Dea. Prior to 2022, they were among those energy companies which relied most heavily on cooperation with their Russian counterparts as a key element of their business strategies. These companies were involved in major infrastructure projects (such as Nord Stream 2) while at the same time being among the main groups which lobbied in Berlin in favour of maintaining favourable relations with Moscow and against any measures that threatened this cooperation, which from their point of view was very lucrative. As a result of the collapse of this model of cooperation, both companies not only suffered financial losses standing at many billions of euros (in the case of Uniper they ultimately resulted in the company’s nationalisation), but also confronted the need to reorient quickly and seek new areas and partners for their business.

**Revolutionary change in the natural gas sector**

The natural gas sector is one of those areas of the German energy sector in which the Zeitenwende has triggered fundamental changes. The most significant of these involves the structure of imports, which meet around 94% of Germany’s demand for gas (domestic production accounts for the remaining 6%). This is because in 2022 Germany lost its largest supplier of natural gas – that is, Russia – which in recent years accounted for around half of its imports. The drop in supplies from the east has mainly been offset by increased gas purchases from Norway (which has become the main source of imports), as well as from the Netherlands and Belgium, and to a lesser degree France. As regards the latter three countries, these imports are mainly liquefied gas, which is obtained via their gas ports. The gas imported to Germany via this route is provided as part of the importers’ portfolio, and is supplemented with purchases made on the spot market (it is likely that LNG from Russia is still reaching Germany via this route). Moreover, in the situation of Germany’s shift to more extensive LNG purchases, companies importing gas to Germany have begun to expand their contract portfolios in order to add new long-term contracts. In this context, the US is Germany’s most important new trading partner.7

---

7 For more see M. Kędzierski, ‘At all costs. Germany shifts to LNG’, OSW Commentary, no. 510, 28 April 2023, osw.waw.pl.
The second major about-turn in the German gas sector involved the launch of unprecedented efforts to build LNG import infrastructure, which had hitherto been absent. As part of its emergency measures, the government focused on leasing several floating terminals (known as FSRUs). In Q1 2023, the three FSRUs already operational accounted for 5% of Germany’s gas imports. Ultimately, however, Germany plans to build three onshore gas ports, in Brunsbüttel, Stade and Wilhelmshaven. As regards the first one, the state-owned KfW bank will hold a 50% stake in it worth almost €750 million. These facilities are expected to replace the FSRUs which previously operated in the same locations. According to documents published by the government, once all of the planned terminals (both the FSRUs and the onshore gas ports) are put into operation, by 2027 Germany will be able to directly import around 54 bcm of gas annually, which roughly corresponds to the capacity of the Nord Stream 1 pipeline. This would not only enable Germany to permanently abandon its gas imports from Russia, but also would help it to maintain its role as an important transit country on the gas map of Europe. This is because other countries in the region (in particular the Czech Republic, Austria and Slovakia, as well as Moldova and Ukraine) could use the German terminals. Moreover, in line with the plan, the new infrastructure will be upgraded in future to enable Germany to replace its LNG imports with new, low-emission energy carriers (such as hydrogen and hydrogen derivatives including synthetic gas and ammonia).

In addition, the emergency construction of LNG import infrastructure is linked to another manifestation of the Zeitenwende, namely a paradigm shift in Berlin’s approach to energy security, and in particular to the financing of projects to ensure it from the state budget funds. Prior to Russia’s invasion of Ukraine and the collapse of the Berlin-Moscow energy alliance model, Germany’s political elite largely ignored both the need to diversify the supply sources and the crucial role of LNG import infrastructure in this context. As a consequence, representatives of this elite were not prepared to shoulder the additional financial burden resulting from this situation. It was not until the Zeitenwende was announced that Berlin became willing to earmark huge funds for the construction of infrastructure to diversify its import sources. Moreover, it began to use the slogans emphasising energy independence, the security of supplies, and the need to boost the system’s resilience to shocks as one of the main narrative lines in the public debate.

Another significant change which can in a sense be viewed as a consequence of the crisis involves the state becoming a major actor in the German gas sector. As a result of the ownership changes, the German state treasury became the
owner of the two companies which had been the largest importers of gas to Germany prior to 2022. Uniper was taken over by the state on the basis of an agreement signed with the company’s shareholders (in particular the largest of them, the Finnish-owned Fortum). As regards SEFE (formerly Gazprom Germania), the takeover was carried out on the basis of an administrative procedure. The nationalisation of the two major market players marks a significant change in the structure of the German gas sector, which until recently was highly fragmented and exclusively privately owned. Until recently, the state’s ability to influence the operation of the companies operating in this sector was limited to measures such as legal regulation and financial support. The takeover of Uniper and SEFE has opened up new opportunities for Berlin to directly influence the companies’ strategies so that they are better suited to meeting the needs of the energy transition, and to shape the gas market in accordance with the government’s preferred policy.

Another interesting aspect of the Zeitenwende in the gas sector involves the fact that Germany’s approach to domestic gas production has not changed – although it could have and, in the present circumstances, perhaps it even should have. The loss of the largest gas supplier to date, record high commodity prices on the energy hubs, as well as problems with procuring LNG on global markets, have all revived the debate in Germany regarding the domestic production of gas, which had been falling for years. Representatives of the energy, mining and industry sectors, as well as politicians from the coalition party FDP and the opposition CDU/CSU, called not only for increases in conventional gas production, but also for the use of fracking technology, which at present is banned in Germany, to extract shale gas (it is estimated that there is between 380 bcm and as much as 2300 bcm of this resource in Germany). According to representatives of the gas sector, simplification of the current procedures, along the lines of what was done in the case of LNG terminals, would enable Germany to start production within 12 months. However, resistance from environmental organisations and the two main coalition parties, the SPD and the Greens (whose electorates include many opponents of fracking) has proved too strong. Following a debate that lasted several weeks, the topic has been definitively abandoned.

The Zeitenwende’s impact on the German energy transition model

In response to the crisis, Berlin was urged under pressure from various factors to launch a number of ad hoc measures which not only failed to be in line with the Energiewende, but also frequently even contradicted the previously
adopted assumptions of the transition. Ultimately, however, neither the crisis triggered by the Russian invasion of Ukraine, nor the failure of the concept of an energy alliance with Moscow, nor the forced changes to Germany’s gas policy have proved to be sufficiently important reasons for Berlin to modify the main assumptions of the German model of transition in the electricity generation sector. It should be noted that following the war’s outbreak, especially during the first months of the invasion, as part of the broad domestic debate focused on the Zeitenwende, some of these assumptions were openly challenged by certain representatives of the German political and business elite and were subject to fierce debates. However, the proponents of specific changes lacked the agency or sufficient public support to push them through.

Firstly, Germany did abandon nuclear power, despite the change in public sentiment and the German citizens’ attitude towards nuclear power. The coalition party FDP and the opposition CDU/CSU were in favour of extending the nuclear power plants’ operation for several years, but the main political forces making up the government, the SPD and the Greens, continued to oppose this change. After several months of public debate and a fierce dispute within the coalition, the only decision taken was to postpone the shutdown of the remaining three nuclear power plants by three and a half months, which duly happened on 15 April 2023.

Secondly, the crisis has not undermined the ruling coalition’s plans to accelerate Germany’s coal phase-out. The measures launched as part of the crisis management, including the decisions to activate the back-up coal-fired units and to extend the operation of the power plants earmarked for shutdown, are short-term solutions. They will be in place until mid-2024, as Berlin expects that the crisis will be under control by then. After that date, the implementation of the previously adopted mechanism to shut down the power plants is to be continued. Furthermore, an agreement was signed between the German federal government and the government of North Rhine-Westphalia on the one hand, and RWE on the other, which stipulates that the last remaining lignite-fired power plants in the lignite mining region of the Rhine will be shut down by 2030 (eight years sooner than the deadline set out in the relevant law). The Greens would like to reach a similar agreement with the LEAG company, which operates in eastern Germany, although in this case both the company itself and, most importantly, the governments of the specific federal states and the local communities are opposed to it.

For more see M. Kędzierski, *Germany bids farewell to coal. The next stage of the Energiewende*, OSW, Warsaw 2022, osw.waw.pl.
Thirdly, the energy crisis has not undermined Berlin’s plans to use natural gas as a so-called transition fuel. In the situation of the shutdown of the remaining nuclear power plants and the planned acceleration of the coal phase-out, natural gas will play an important and increasingly relevant part in efforts over the coming years to stabilise and complement the generation of electricity from renewable energy sources. In this context, it will be necessary to construct numerous new gas-fired power plants. According to various estimates, the demand for the electricity generated by these units will stand at between 17 and 25 GW by 2030 (at the end of 2022 Germany’s installed capacity of gas-fired power plants was 34 GW). To streamline and facilitate this process, the government plans to adopt a special strategy combined with financial support instruments later in 2023. However, it is assumed that from the beginning the new units should be capable of co-firing, and ultimately they will fully switch to hydrogen, as this fuel is expected to replace natural gas as a supplement to RESs in the electricity generation sector in the long term.

At the same time, the Scholz government has decided to use the energy crisis triggered by Russia’s invasion of Ukraine as an additional, convenient and expressive argument in the public debate in favour of the continued acceleration of the energy transition. Coalition politicians have begun to link the Zeitenwende not only with the ad hoc anti-crisis measures discussed above, but also with the previously agreed long-term projects for decarbonisation, albeit sometimes in a more restrictive version. The speech delivered by the FDP chief and Germany’s Finance Minister Christian Lindner at the Bundestag on 27 February 2022 was of particular significance. In it, he attempted to convince the Bundestag members to accelerate the pace of transitioning the energy generation sector to renewable sources, and referred to RESs as ‘the energies of freedom’ (Freiheitsenergien) which contribute to a decrease in Germany’s dependence on the import of fossil fuels. Another element added to the Zeitenwende narrative was the comprehensive legislative package in support of RESs adopted in summer 2022, which included a series of facilitated procedures regarding investments in new renewable power plants, and increased the scope of new capacity auctions. Moreover, it set a more ambitious target regarding the share of RESs in Germany’s electricity consumption by 2030, increasing it to 80% instead of the previously planned 65%. Vice Chancellor Robert Habeck had presented the main assumptions of this package as early as January 2022. Following the war’s outbreak, the targets originally adopted were raised only slightly in selected areas, for example regarding the development of wind and photovoltaic farms.
Outlook

One of the main results of the Zeitenwende is Germany’s energy decoupling from Russia. There are many indications that this is not just a temporary measure. The ongoing energy transition will gradually reduce the German economy’s demand for fossil fuels. In the natural gas sector, where this demand will remain high at least for the next few years, Germany’s efforts to build LNG terminals and the importers’ decision to enter into further long-term contracts for the supply of liquefied natural gas will foster a full and permanent abandonment of Russian gas supplies, and will effectively reduce the market potential for a possible resumption of Russian imports. The experience of recent months will have a deterrent effect on that significant portion of German business which may potentially be interested in returning to business as usual, at least in the short term.

All this does not rule out purchases of Russian fuels in the future. Indeed, it should be expected that in the longer term, should relations between the EU and Germany on the one hand and Russia on the other hand normalise, a portion of the German economic and political elite will seek to renew trade relations, including the import of energy fuels, although certainly on a much smaller scale than prior to 2022. From Berlin’s perspective, such a move could potentially be used as a political bargaining chip. Moreover, as Germany’s consistent implementation of the energy transition to RESs will diminish the importance of traditional fossil fuels in favour of new energy carriers in the long term, it is likely that those favouring a resumption of Germany’s economic cooperation with Russia will attempt to adjust this cooperation to the needs of the Energiewende, and will seek to base it to a greater degree on the import of commodities such as low-emission hydrogen, ammonia and synthetic fuels.

The crisis has not altered the main assumptions of the energy transition. Moreover, it will likely be used by that portion of the elite which supports the transition as another argument to accelerate the switch to renewable energy sources. It should be expected that the implementation of the current concept will also increase the role of natural gas as a transition fuel. The only difference will be that the natural gas in question will come from non-Russian sources, at least in the near future. The large-scale development of LNG import infrastructure in Germany which is being carried out as part of the Zeitenwende will not only enable Berlin to continue this strategy, but is also expected to open up opportunities for the future utilisation of the planned terminals to procure new, low-emission energy carriers from abroad.

MICHAL KĘDZIERSKI
Map. Location of German LNG terminals

Source: the German Federal Ministry for Economic Affairs and Climate Action.
II. DE-RISKING IS ENOUGH. THE GERMAN ECONOMY AND THE ZEITENWENDE

The Russian invasion of Ukraine has forced Germany to answer the question about the boundaries of its economic cooperation and its dependence on globalisation, especially in its relations with authoritarian regimes. The war has also drawn attention to the issue of the balance between the market and the state in an economy affected by crisis and inflation, and which is additionally struggling with the challenges of energy and digital transformations. The vision of a multipolar world and intensifying competition has also sparked a discussion about the need to strengthen the EU, for example by creating joint funds and deepening fiscal integration, so that it will be able to match its global competitors.

However, the German public’s response to these dilemmas can hardly be described as a turning point or a fundamental change of mindset. In their opinion, the globalisation crisis is transient, so the country’s economy should remain export-oriented, and the risk associated with foreign contacts should merely be reduced at the most. State interventionism has temporarily intensified in economic policy, albeit without changing the rules of the economic model. The approach to economic integration also remains unaltered: Germany does not see the need to significantly enhance financial and fiscal cooperation within the EU.

The shock of the war

The discussion on the Zeitenwende has primarily been focused on security issues, due to the literal interpretation of the speech Chancellor Olaf Scholz made on 27 February 2022, and on energy policy, where the response to the challenges related to the Ukraine war has materialised the fastest. However, the Zeitenwende (turning point, new era) covers a much wider range of issues, including Germany’s economic course.

At first glance, the Russian invasion has led to a typical economic shock. On the supply side, it mainly hit costs, especially of energy carriers, and shook up some supply chains, for example in food markets. In turn, on the demand side, the key issue was the decline in consumer confidence due to concerns that the war might last a long time. As a consequence, instead of the expected recovery from the pandemic crisis and GDP growth of 3.5% in 2022 and 2.5% in 2023, the economy began to slide towards stagflation. Out of inertia, GDP did increase
by 1.8% in 2022, but this year it may even be negative.\(^1\) The negative economic trends were accompanied by the highest inflation in 70 years, which was further escalated not only by the situation on the energy market but also by the increase in public spending during the pandemic.

However, the crisis is not just about economic indicators. In the chaos of war, factors which could permanently change the conditions in which national economies function have gained in importance. This mainly concerns geopolitical tension, the intensifying confrontation between the global powers and the risk of a global military conflict. This made it necessary to ask questions about the chances of maintaining the current economic model, and in fact they have been asked during the debate on the *Zeitenwende*. In particular they concerned globalisation and the dependencies it causes, the return to the path of growth in new, more difficult conditions and faced with the additional challenge of energy & digital transformation, and finally, strengthening economic integration. The crisis of war and the possible intensification of international competition should encourage the EU to enhance its economic cooperation and strive for a genuine fiscal, banking and capital markets union. These moves would enable the EU to invest more in its development and compete on more ‘sovereign’ terms with global powers.

**Globalisation: de-risking instead of decoupling**

Dealing with the consequences of Germany’s excessive energy dependence on authoritarian Russia was a pivotal experience for it in 2022. This involved a dramatic increase in costs, especially for industry, and the need to look for new suppliers. This was coupled with the effect of the sanctions imposed on the Russian Federation. This situation has led to breaking direct economic relations with this country on a massive scale.\(^2\) In February 2023, exports to Russia fell 60.5% year on year (from €2.1 billion to €0.8 billion), and imports by 91% (from €3.7 billion to €0.3 billion). In the ranking of Germany’s trading partners, Russia fell from 11th to 46th place.\(^3\)

An analysis of the causes of the disaster in Germany’s political and economic relations with Russia must have provoked it to think through the limits of its

---

1. ‘*Was der Krieg in der Ukraine für die deutsche Wirtschaft bedeutet*’, German Chamber of Commerce and Industry (DIHK), 23 February 2023, dihk.de.
2. It cannot be ruled out that trade is continuing through intermediaries registered in such countries as Turkey, Kazakhstan and the United Arab Emirates.
3. ‘*Importe aus Russland im Februar 2023 um 91,0 % niedriger als im Vorjahresmonat*’, German Federal Statistical Office (Statistisches Bundesamt), 13 April 2023, destatis.de.
dependence on other countries. It also had to look closer at the essence of the economic globalisation that has been developing over the past decades. Its cornerstones were the removal of barriers in the exchange of goods & services and the flow of capital. This, in turn, supported the market logic of choosing efficiency and profitability as the main criteria for the cooperation and selection of its economic partners. The idea of total economisation, however, extended further: the global market was supposed to eliminate the risk of armed conflicts between interdependent states, because war was not profitable for anyone. The ultimate goal was a ‘flat world’ with convergence of GDP levels and the gradual unification of political systems towards democratic solutions and the universal defence of human rights.

This model of globalisation has been especially beneficial for Germany. Thanks to it, in the period after the World War II this country became an export power which achieved huge surpluses in foreign trade and earnings on its investments. This model also brought political benefits: trade was supposed to ease ideological tensions and systemic confrontation in the international community, which were dangerous for Germany as it had been a frontline state during the Cold War. This mindset gave rise to the idea of ‘change through trade’ (Wandel durch Handel)⁴ which justified the expansion of economic ties with autocratic regimes. In recent decades this approach was crowned by cooperation with China and Russia, which were to have become ‘like us’.

The Russian attacks on Georgia and Ukraine, Beijing’s confrontational policy towards Taiwan and the worldwide expansion of autocratic methods of government have shown the limits of this vision. While neoliberal globalisation has undoubtedly offered huge economic gains, their distribution has empowered non-democratic regimes and given them the economic tools to implement aggressive policies.

The current crisis may lead to one of the following three scenarios coming true:

- The first scenario envisages general deglobalisation, driven not only by intensifying political confrontation but also by protectionism and the need to support national economies. Such tendencies became apparent during the presidency of Donald Trump and during the global COVID-19 pandemic. The process of decoupling could lead to the weakening of current ties and the emergence of numerous smaller economic blocs.

---

The second scenario assumes a division of the globe into the ‘free world’ zone where democratic states cooperate, and a club of authoritarian regimes centred around China. This approach could be referred to by the catchphrase ‘friendshoring’, meaning investing in ‘friendly’ countries which share the same value system.

In the third scenario, the current formula of globalisation will be maintained and there will be a gradual return to business as usual. This is very likely, primarily considering economic logic and the argument that global challenges, such as the fight against climate change, require maintaining open space and cooperation mechanisms between rivals.

The German stance on these scenarios is far from clear. On the one hand, it is often argued in the debate that it is essential to reduce the risks linked to economic globalisation and to dismantle critical dependencies on authoritarian rivals. On the other, there is a strong faction which wants to keep the economic benefits offered by the global economic space and warns against multiplying trade barriers.5

These dilemmas are best seen in relation to China, Germany’s largest trading partner, the trade volume with which was close to €300 billion in 2022 (Destatis). Since the Russian invasion, distrust towards the influx of foreign capital from China has clearly increased, and the government has begun to look more closely at its investments in critical infrastructure sectors (such as energy supply, ports and telecommunication infrastructure). This was facilitated by the investment review procedure implemented in the previous decade by the Federal Ministry for Economic Affairs and Climate Action, which even allowed some investments to be blocked. The procedure was applied during the attempt by the Chinese logistics company COSCO to acquire major stakes in the Container Terminal Tollerort in the port of Hamburg in autumn 2022. This provoked a heated dispute in the government as to whether elements of critical infrastructure such as terminals could be sold to foreign entities. The Greens were in favour of blocking the deal, while the SPD opted for a more conciliatory approach. Eventually, Chancellor Scholz pushed through consent for COSCO to purchase a 24.9% stake in the facility, a figure below the threshold that would have allowed the Ministry for Economic Affairs and Climate Action (controlled by the Greens) to intervene.

The use of devices made by Huawei in Germany’s telecommunication infrastructure (in particular, data transmission over the mobile network) also provoked disputes. The Chinese company had for years been supplying equipment to Germany’s largest network service providers, Deutsche Telekom, Vodafone and Telefonica. It turned out that the use of Huawei’s components to expand the 5G network generated serious security risks. Finally, at the beginning of 2023, the Federal Ministry of the Interior sent a letter to the operators calling for these components to be withdrawn. However this step is still the subject of considerable controversy, as it may lead to a significant slowdown in the construction of the latest generation networks and an explosion of costs. Furthermore, there are obvious inconsistencies in the actions taken by German entities: for example, the state-owned company Deutsche Bahn has announced that it intends to continue using Chinese parts.

However, a tougher stance on China’s involvement in the construction of critical infrastructure does not mean that Germany has become a supporter of extensive decoupling from this country. There was no talk of weakening economic cooperation during Chancellor Scholz’s visit to Beijing in November 2022. Not only does the German Chancellery look at the trade data (see table), but it also listens to the arguments presented by the boards of directors of large corporations present in China. Sten Ola Källenius, the CEO of Mercedes-Benz, has said that speculation on limiting cooperation is “unthinkable for almost all of German industry”. In the case of this company, the Chinese market accounts for 18% of revenues and 37% of sales.

Realistically, then, Germany will respond to the Ukraine war not by decoupling, but at most with ‘de-risking’, which has become the key word in the latest government strategy towards Beijing. In practice, this means reducing the interdependencies that run the risk of supplies being interrupted, and balancing the importance of China out with expanding economic ties with other partners – in other words, diversification. One of these potential partners is India, which could become an appealing location for important investments. Proof of enhanced relations with this country include the contracts to expand India’s railway infrastructure signed by Deutsche Bahn and Siemens, and the plans to facilitate the immigration of Indian workers to Germany. At the same time,

---

6 S. Płociennik, ‘Lex Huawei. Germany is tightening control over 5G’, OSW, 8 March 2023, osw.waw.pl.
7 M. Bogusz, L. Gibadlo, ‘Cooperation in spite of everything. Scholz’s visit to China’, OSW, 7 November 2022, osw.waw.pl.
8 ‘Cutting ties with China is ‘unthinkable’, Mercedes-Benz CEO tells Bild am Sonntag’, Reuters, 30 April 2023, reuters.com.
9 China-Strategie der Bundesregierung, Auswärtiges Amt, 21 July 2023, auswaertiges-amt.de.
Germany is clearly strengthening its presence in Africa and South America, as a way to diversify supplies of rare-earth elements: at present, over two-thirds of some of them originate from China.¹⁰

The strategy of diversifying economic dependencies does not mean withdrawing from globalisation. On the contrary, it is expected to lead to expanding and enhancing international ties. This is why Berlin is still keeping a watchful eye on the threat of protectionism: discriminatory practices against foreign manufacturers, higher tariffs, selective tax breaks, etc. could become key obstacles to new trade flows. Considering all this, there is a deeper meaning behind the German reaction to the US Inflation Reduction Act (IRA), which introduces solutions that could threaten the interests of European producers.¹¹ From the beginning, Germany adopted a cautious approach towards the Act and did not support France, which insisted on a firm response to the US policy, including possible economic retaliation. Germany preferred to focus on negotiations, which were broken off in 2016, and even went so far as to offer a return to the Transatlantic Trade and Investment Partnership (TTIP) project. The idea was to stop the escalation of US-EU protectionist sentiments at an early stage, even if that was unrealistic.

**Table.** Germany’s largest trade partners in 2021 and 2022 (in € billions)

<table>
<thead>
<tr>
<th></th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>1.</td>
<td>US</td>
</tr>
<tr>
<td>2.</td>
<td>China</td>
</tr>
<tr>
<td>3.</td>
<td>France</td>
</tr>
<tr>
<td>4.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>5.</td>
<td>Poland</td>
</tr>
<tr>
<td>6.</td>
<td>Italy</td>
</tr>
<tr>
<td>7.</td>
<td>Austria</td>
</tr>
<tr>
<td>8.</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>9.</td>
<td>Switzerland</td>
</tr>
<tr>
<td>10.</td>
<td>Belgium</td>
</tr>
</tbody>
</table>

¹⁰ †Januar bis November 2022: 66% der importierten seltenen Erden kamen aus China’, German Statistical Office (Statistisches Bundesamt), 24 January 2023, destatis.de.

¹¹ S. Płociennik, ‘The German dilemma: Berlin’s response to the trade conflict with the USA’, OSW, 5 December 2022, osw.waw.pl.
<table>
<thead>
<tr>
<th>Imports</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. China</td>
<td>142.2</td>
<td>China</td>
</tr>
<tr>
<td>2. Netherlands</td>
<td>105.5</td>
<td>Netherlands</td>
</tr>
<tr>
<td>3. US</td>
<td>72.1</td>
<td>US</td>
</tr>
<tr>
<td>4. Poland</td>
<td>68.8</td>
<td>Poland</td>
</tr>
<tr>
<td>5. Italy</td>
<td>65.4</td>
<td>Italy</td>
</tr>
<tr>
<td>6. France</td>
<td>62.1</td>
<td>France</td>
</tr>
<tr>
<td>7. Belgium</td>
<td>51.9</td>
<td>Belgium</td>
</tr>
<tr>
<td>8. Czech Republic</td>
<td>50.0</td>
<td>Norway</td>
</tr>
<tr>
<td>9. Switzerland</td>
<td>48.9</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>10. Austria</td>
<td>47.5</td>
<td>Austria</td>
</tr>
</tbody>
</table>

Source: Statistisches Bundesamt, destatis.de.

**New economic growth**

The Ukraine war caused a sharp decline in Germany’s GDP and an increase in inflation to levels unseen for decades (see charts 1 and 2). Getting out of this stagflation trap will be a major challenge for Berlin. This is because it is not only about the hard (albeit short-term) economic crisis, but also about the accumulation of long-term structural problems within the economy, the seriousness of which was only exacerbated by the Russian invasion. Germany needs to deal with major investment backlogs, especially in the energy and digitisation spheres, which are to a large extent a consequence of the austerity policy adopted by Angela Merkel’s government. In addition, the country is losing competitiveness due to excessive red tape, relatively high taxes and demographic factors.

There is no consensus among the German economic elite on how to deal with these challenges. On the one hand, it is argued that the state should play a greater role in the economy by increasing spending on public investments (through setting up more off-budget funds), steering the innovation process and conducting an extensive industrial policy. Inside the government, these ideas enjoy the strongest support from the Greens and the SPD. On the other hand, a large group of supporters of liberal reforms are calling for deregulation and tax cuts for enterprises. These are associated primarily with the FDP and the Christian Democrats, who demand a renewal of the discussion on the ‘social market economy’.
The ‘transformative supply-side policy’ (transformative Angebotspolitik)\textsuperscript{12} idea promoted by vice-chancellor and economy minister Robert Habeck is an attempt to reconcile these approaches. It may seem somewhat ‘complicated’, as he admitted, because it combines quite complex terms. Its most important part refers to supporting supply, and is nothing else than approval of the market’s flexibility. Habeck wants the operating conditions for companies to be improved, taxes to be cut and the economy to be deregulated in order to unleash the forces of ‘spontaneous adjustment’ in the economy, which have already contributed significantly to overcoming the energy crisis. Nevertheless, there is also considerable space in his concept for an active role to be played by the state. This is expressed in the phrase ‘transformative policy’, which stands for mobilising market funds and public resources in order to carry out significant economic changes. In this case, as Habeck stipulates, it is about strengthening the potential of selected industries so that they can decarbonise faster and increase their involvement in new technologies, including the production of batteries, semiconductors, electrolysis installations, solar panels and wind turbines. The incentives for entrepreneurs include reliefs, investment write-offs and targeted funds. It is worth emphasising, however, that this concept envisages interventions within a specific timeframe which will be made only when needed, rather than a systemic and permanent shift of the balance towards state control.

Habeck’s ‘inclusive’ concept is a pragmatic measure aimed at building the broadest possible support. Business circles have actually responded positively to the ideas he has presented, but they have pointed out the need to take specific actions. The Federation of German Industries (BDI) has stated that 2023, dubbed as the ‘year of decision’, will be the true test of the government’s intentions. Chancellor Scholz also has high hopes for the new policy. In an interview he said that “the large investments in climate protection may help Germany temporarily achieve growth rates which were last seen in the 1950s and 1960s”.\textsuperscript{13} Thus, the Social Democrats believe that energy transformation will bring about a new ‘economic miracle’.

In implementing this strategy, the German government will have to face at least two serious challenges.

\textsuperscript{12} ‘Zeit für eine transformative Angebotspolitik’, Federal Ministry for Economic Affairs and Climate Action (Bundesministerium für Wirtschaft und Klimaschutz), 27 April 2023, bmwk.de.

\textsuperscript{13} ‘Olaf Scholz verspricht sich Wachstum wie zur Zeit des „Wirtschaftswunders”’, Die Welt, 10 March 2023, welt.de.
The first concerns demographics. In Q4 2022, regardless of the temporary economic downturn, the Federal Employment Agency registered almost 2 million vacancies. In market research, companies have stressed labour shortages as the most serious challenge preventing them from increasing production and carrying out new investments. The government has no good solution for this problem: mobilising domestic human resources would require another pension reform; this would come at a political cost, and its effects would only become apparent after some years. Another solution is to open up the country to more immigration from third countries (outside the EU), which will entail the need to adjust the act introduced in 2020 and further liberalise employment regulations, especially as regards the recognition of diplomas. Such changes are becoming increasingly difficult to implement due to the rising popularity of the anti-immigrant party Alternative for Germany (AfD).

The second challenge is the urgent need to deal with the falling competitiveness of the German Standort. German companies are already moving to other countries, attracted by tax breaks, subsidies, subsidised energy costs, and (last but not least) more friendly regulations. Therefore, the catastrophic vision of the ‘de-industrialisation’ of Germany and the eventual loss of the advantages of the German model is frequently referred to in the public debate. Of course, the government can hope that the announcement of reforms will stop the relocation of production, but in practice it will have to join the subsidy race started by the US and Biden’s IRA. These are extremely costly projects. One example is the decision to subsidise Intel’s new semiconductor factory in Magdeburg to the tune of €10 billion, a decision which is emblematic of this new era. After long negotiations, the American company decided to implement its huge cutting-edge project worth €30 billion provided that it received a high subsidy. However, if the German government decided to join such a ‘subsidy race’, that would entail serious conflict inside the government. Ministers from the SPD and the Greens, who are planning further government interventions, will have to confront the liberal Minister of Finance, the FDP’s Christian Lindner, who wants to restore the constitutional ‘debt anchor’ and end the fiscal expansion that has been in place since the pandemic. The draft budget for 2024 which he presented in July 2023 is a clear step in this direction.

---

14 ‘IAB-Stellenerhebung für das vierte Quartal 2022: Offene Stellen erreichen mit 1,98 Millionen ein neues Allzeithoch’, Institute for Employment Research (Institut für Arbeitsmarkt- und Berufsforschung), 9 March 2023, lab.de.
15 S. Plócienik, ‘The European Green Deal Industrial Plan: is Germany ready to accept more interventionism?’, OSW, 6 February 2023, osw.waw.pl.
**Chart 1.** Inflation in Germany and the EU in 2019–2023 (Harmonised Index of Consumer Prices, HICP; monthly data)

Source: Eurostat.

**Chart 2.** GDP growth in Germany and the EU in 2019–2023 (year-over-year quarterly data)

Source: Eurostat.
A ‘sovereign Europe’: time for more fiscal integration?

The situation linked to the Ukraine war and the intensification of global competition for technologies & investments (as exemplified by the IRA) have given rise to questions about the future of economic integration in Europe. The existing model is based on a common market and currency, and relatively shallow fiscal and financial cooperation at the same time. In practice, this means that the national perspective prevails when it comes to public spending on investments or the development of new technologies. One exception from this rule is the NextGenerationEU programme, as part of which hundreds of billions of euros have been offered in grants and loans to combat the effects of the pandemic and support member states’ economies. It is worth emphasising, however, that it is formally a one-off and exceptional programme, and Berlin agreed to setting it up on that condition alone. Germany is cautious about creating common financial mechanisms because it fears that they might trigger permanent transfers within the EU. This position is a well-established, even a traditional element of Germany’s European policy.

Has the new economic and international situation, which undoubtedly requires enhancing the coordination of joint investments within the EU and strengthening the continent’s position in globalisation, prompted Berlin to revise its firm stance? Nothing in Germany’s reaction seems to be a sign of this.

Shortly after the Russian invasion of Ukraine, Germany was relieved to see the partial suspension of state aid rules (the Temporary Crisis Framework) announced by the European Commission in March 2022, which made it possible to generously subsidise industries which had been affected by economic problems at the national level. The data published by the European Commission at the end of the year prove that Berlin has benefited most from this; as much as 53% of the total value of permits, which reached €672 billion, went to German entities. This is much more than Germany’s share in the EU’s GDP or industrial output. These figures caused concern in many member states, as they revealed that Germany was primarily focused on protecting its own economy and thinking less about the European response to the reality of the crisis. This impression was intensified after the Scholz government announced a special €200 billion subsidy programme to mitigate the effects of rising

---

energy prices. Germany argued that its value had to be that high because the country had suffered particularly severe losses due to its dependence on Russia. As far as integration is concerned, however, it raised questions about distortions of competition and the coherence of the single market.

Germany was granting further business support permits while at the same time inhibiting discussions on a possible joint response to the European crisis. This especially concerned the European Commission’s proposal that the EU should create a ‘fund for European sovereignty’ to use financial assistance to put the EU on a par with the US, in response to the initiatives announced by Washington as part of the IRA. Since it was difficult to question the idea itself directly, German politicians resorted to the argument that it was not worth setting up a new fund, as the money from the recovery fund had still not been used: a political decision to transfer them to new positions would therefore suffice.

Since Germany made extensive use of the opportunity to support its own industry, while at the same time rejecting the idea of increasing European spending, one might expect that it would at least agree to ease fiscal discipline in the EU in order to give the governments of the member states a little more space to increase investment outlays. Nothing of the sort happened. When the European Commission proposed a reform of the Stability and Growth Pact with an option for a more flexible debt reduction path, it was firmly objected by the finance ministry under Lindner. Berlin insists that the rules imposing the 3% budget deficit cap and 60% public debt limit should still be strictly observed. As a consequence, Germany is being criticised more and more by Southern European countries and France; in their opinion, Germany’s double ‘no’ is actually weakening the EU’s economy.

Germany’s scepticism about the finalisation of the banking union adds to its image as a brake on the processes of reform and enhancing financial integration within the EU. The creation of a single space for banks could facilitate the mobilisation of capital for investments. However, this would require

---

19. M. Kędzierski, S. Płoeciennik, ‘Germany is fighting an energy war: €200 billion will be spent on dealing with high energy prices’, OSW, 3 October 2022, osw.waw.pl.
20. S. Płoeciennik, ‘The European Green Deal Industrial Plan: is Germany ready to accept more interventionism?’, op. cit.
supranational institutions to be strengthened. To this end, introducing a single insurance for bank deposits is often mentioned as it would reduce the impact of national niches. However, Germany blocked the proposal put forward by Eurogroup’s President Paschal Donohoe in May 2022 mainly due to protests from German cooperative and public banks, and out of fear that the new institution would turn into a transfer instrument.

**Conclusion**

If the *Zeitenwende* in economic policy were to be understood as a new era of the German economic model, then – in a radical version – it could include the following elements:

- firm economic decoupling from dictatorships and building up a form of democratic economic globalisation;
- changing the economic model by allowing the state to play a greater role in the economy and radically increasing public investments, and
- building a European economic federation with its own fiscal policy and management integrated with the banking and capital markets.

However, Germany is far from making such a profound change. Its economy remains oriented towards globalisation, and its political and business elites believe that the current crisis is merely temporary. Hence the concept of de-risking, which actually strengthens the expansion into international markets. The country is responding to the problems by attempting to reconcile the old dispute between liberal supply-side policy and interventionism, this time in order to step up the *Energiewende*. There is hardly any systemic value in this because, for example, the so-called debt anchor has not been removed. There is no visible readiness for a breakthrough in European economic integration, either. The EU is still a project with a clearly limited scope of common funds and transfers.

When seen from the perspective of political economy, this conservative reaction should come as no surprise. The vision of globalisation still serves the

---


interests of large German companies that have invested huge amounts of money in, for example, China. Decoupling would thus carry an unprecedented risk for them. In turn, the ‘transformative supply-side policy’ perfectly reflects the aspirations of smaller businesses and the Mittelstand sector, which support a pragmatic approach reconciling market and intervention. As for the deepening of financial integration, the explanation for German reluctance can be reduced to the widespread and persistent resentment against ‘transfer mechanisms’ and fears that Germany would become a structural, long-term payer financing less efficient economies (for example, those of Southern Europe).

The resistance also stems from a political calculation and the mainstream parties’ memory that the problems of monetary integration (the euro crisis) helped set the scene for the emergence of the anti-system opposition – the AfD. A move towards a fiscal union in the EU, which would certainly be a radical change, could end up in a political Zeitenwende, though not necessarily in the sense that Scholz had in mind during his famous speech.

SEBASTIAN PŁÓCIENNIK
III. A LIMITED BREAKTHROUGH.  
THE ZEITENWENDE IN GERMANY’S FOREIGN POLICY

The Russian invasion of Ukraine has been the catalyst for change in Germany’s foreign policy. However, the assessment of the mistakes Berlin had made in its actions towards Russia, as well as Central and Eastern Europe, and their partial rectification were just one element of the revision process. The fact that the war in Ukraine has had global consequences also prompted the German government to reflect on its own strategy in other areas of key importance for the country’s security and economic interests. In the context of Berlin’s assertion regarding the evolution of the global international order towards multipolarity, it became clear that Germany’s relations with China and the US also needed revision, as did the future of the EU.

The present state of the German debate and the steps taken by the German government thus far do not indicate any radical change in Berlin’s course. In fact, what we are witnessing is a struggle to maintain the status quo, as well as efforts to adapt the current rules of German foreign policy to the new circumstances and to apply them so that the initiatives Berlin is promoting can materialise. This is evidenced by Germany resorting to old political concepts, attempting to strengthen its alliance with the United States and making efforts to maintain its status as Washington’s most important partner in Europe, and seeking to accelerate the process of reforming EU institutions.

Foreign policy revision: more than Russia

The feeling of instability and mounting risk to Germany’s security, economic and energy interests which resulted from the Russian invasion of Ukraine forced Olaf Scholz’s government to adapt its foreign and security policy to the new circumstances. The Chancellor’s speech at the Bundestag on 27 February 2022 marked the symbolic beginning of this process. In his speech, he outlined five specific tasks for his government:

- to offer support to Kyiv (including arms supplies),
- to persuade the Russian authorities to cease hostilities (for example by imposing sanctions on Russia),
- to prevent the conflict from spilling over into other European countries,
- to boost military security (by means including setting up a special-purpose fund worth €100 billion for the needs of the Bundeswehr) and energy security
by eliminating Germany’s dependence on Russian fuel imports and expanding the country’s renewable energy potential, and

- to maintain diplomatic channels in Germany’s relations with Russia “without being naive”.¹

Scholz referred to Russia’s invasion of Ukraine as the beginning of the ‘turning point’ (Zeitenwende), and the tasks he outlined are directly linked with Germany’s Eastern policy (Ostpolitik). Therefore, it was the revision of this policy area that was viewed as a guarantee of the Zeitenwende’s success in Germany’s foreign policy. However, the war has urged the German government, in particular the Chancellor² and the ruling SPD party,³ to reflect on the situation in a more comprehensive manner. Firstly, this reflection referred to the decline of multilateralism⁴ as understood as a method for pursuing political goals using diplomatic instruments, in particular cooperation within international organisations. This manner of cooperation was expected to guarantee stability and to protect smaller countries against those states which had much greater economic and military potential.⁵ Secondly, the German authorities have realised that now it is no longer just the US and China that want to shape the global order, as an increasing number of actors now have such ambitions. This fact has obliged Berlin to conclude that an era of a multipolar international order has arrived, an era which is characterised by the dominance of several centres of power competing for global and regional influence. This in turn may lead to these states challenging the existing rules and agreements which they view as obstacles to their pursuit of their own goals. Alongside this, multipolarity is viewed as a type of international order which is much more crisis-prone and unfavourable for the smaller states, which are now exposed to their neighbours’ territorial and other ambitions.⁶

¹ Regierungserklärung von Bundeskanzler Olaf Scholz am 27. Februar 2022, Bundesregierung, 27 February 2022, bundesregierung.de.
⁴ Ibidem, p. 2.
Faced with such a shift in the global order, Europe’s military weaknesses and certain deficiencies affecting the Bundeswehr, Berlin will seek to strengthen its alliance with the United States as the guarantor of European security. The failure of Ostpolitik has also prompted the development of a new model of relations with China, as the present one resembles the model Germany practiced until recently in its relations with Russia. The increasing rivalry between global and regional powers is another incentive for Germany to support institutional reforms in the EU, so that the bloc will be capable of defending European interests and operating efficiently in an enlarged format. Finally, the war has forced Berlin to finally reflect on its own place and role in an increasingly complex world.

**Ostpolitik: breakthrough vs. adaptation**

The fulcrum of the Zeitenwende in Germany’s foreign policy is its Eastern policy. This is due to the consequences of Germany’s former, failed policy towards Russia for its military, economic and energy security, as well as the importance of Germany’s relations with its key allies in the EU and NATO. To understand contemporary Ostpolitik, it is necessary to realise that the main purpose of its initial version was to unite the state. Back in 1990, the German political elite viewed the achievement of this goal as proof of the fact that efficient diplomacy, the ability to maintain dialogue despite major differences, the intention to resolve disputes in formats for international cooperation and the ambition to build mutual trust were ingredients of a recipe for ‘dealing’ with difficult partners, including the USSR and later Russia.

In the 1990s, the principle of ‘change through rapprochement’ gave way to ‘rapprochement through [trading] links’. This involved boosting economic and social cooperation, which was intended to serve as a transmission belt to enable Russia to adopt Western political and economic standards. This modified approach was convergent with the new goals of German policy towards Russia, which were endorsed by the Social Democrats and the Christian Democrats.

---

7 The political transformation of the Eastern bloc and the efforts to assist the local opposition movements were not among the priorities of Ostpolitik as pursued by Bonn. For example, the West German government was very reluctant to support the Polish Solidarity trade union, as it feared that its activity could destabilise the relationship between the two blocs. See S. Meister, W. Jilge, ‘After Ostpolitik. A New Russia and Eastern Europe Policy Based on Lessons from the Past’, German Council on Foreign Relations, 6 December 2022, dgap.org; H.A. Winkler, ‘Als die SPD konservativ wurde’, Der Spiegel, 12 June 2022, spiegel.de.


The underlying intention was to avoid ‘provoking’ the Kremlin in security-related issues while involving it as much as possible in cooperation in this field. Another aim was to develop economic cooperation, in particular regarding the import of energy carriers; this manifested itself in the construction of the Nord Stream 1 and Nord Stream 2 gas pipelines.

Berlin became aware of the problem in its relations with Moscow when Vladimir Putin began to put his imperialist policy into practice: the war in Georgia in 2008, the annexation of Crimea and the launch of the conflict in the Donbas in 2014 made dialogue with Russia increasingly difficult. However, the Kremlin’s aggressive stance did not change the German conviction that “European security can only be built with Russia” and did not stop the construction of the Nord Stream 2 gas pipeline. Nevertheless, intensive economic cooperation did not lead to the democratisation of Russian society. Instead, giving it priority enabled Moscow to set up a network of interpersonal ties in Germany’s business and political groups, which to some degree influenced the German Ostpolitik. Prioritising Germany’s relations with Russia also became a permanent element of Berlin’s approach to Central and Eastern Europe. From Berlin’s point of view, initiatives intended to integrate mainly Ukraine & Georgia with NATO and the EU equated to the crossing of a ‘red line’ in its relations with Moscow. It was due to Germany’s stance on this issue and its support for the construction of Nord Stream 1 and 2 – despite the concerns voiced by other states in the region – that its policy towards Central and Eastern Europe receded into the background.

The domestic political debates held in Germany after 24 February 2022 indicate that the state’s mainstream political forces have recognised the need to revise its Ostpolitik. This will form the basis for its long-term evolution beyond the term of the present government. However, as yet no specific proposals for this change have been presented, and the debate is mainly focused on questions of arms supplies to Ukraine, Ukraine’s reconstruction, and its possible future membership of NATO and the EU. Intensive work on developing a new concept for Germany’s Eastern policy is underway in the SPD. This is the result of two very important factors. Firstly, the previous concept was devised by Chancellor Willy Brandt’s cabinet (and Brandt is highly respected by the Social Democrats).

---

10 See the SPD’s platform document Aus Respekt vor deiner Zukunft. Das Zukunftsprogramm der SPD, 2021, p. 59, spd.de.
This makes the party uniquely responsible for revising this model. Secondly, the other parties raise this topic less frequently because they wish to avoid the consequences of potential mistakes and distortions during the next stages of Ostpolitik. This is particularly evident in the activity of the CDU/CSU, as this party continued the course set by their opponents, and has failed to revise the Eastern policy practiced during Angela Merkel’s 16-year rule, despite the numerous actions the Kremlin took in that period which jeopardised Europe’s security. Similarly, the FDP has preferred to remain uninvolved in these issues; as the coalition partner of both the SPD and the CDU/CSU, it acted more as an executor of the Chancellery’s intentions. The Greens have manifested a similar attitude, although they presented themselves as the main proponents of a tougher course towards Moscow well before 24 February 2022. Similarly, one should not expect the AfD and the Left Party to come up with any more profound reflections on this issue: the former party because of its deeply rooted pro-Russian sentiment, which was not even undermined by the Russian invasion of Ukraine; and the latter because of its ongoing internal conflicts, which may soon lead to the formal division of the party.

Despite only moderate progress in work on the new concept, the current state of the debate makes it possible to distinguish several features that will determine its final shape. Firstly, in statements by Germany’s leading politicians, and in the national security strategy published in June 2023, Russia’s behaviour is referred to as the most serious threat to transatlantic security. This is why the sanctions imposed on this country should be maintained, and why the European security architecture should be built in opposition to Russia. At the same time, certain statements contained in documents published by the SPD’s leadership and the party’s group in the Bundestag indicate that Berlin views the war as just another stage in its relations with Moscow, and expects to resume cooperation once the war is over. This is corroborated by the fact that these documents emphasise Russia’s role as a “country characterised by significant areal, population and military potential, which makes it an important actor in shaping Europe’s security architecture in the long term”. For this scenario to materialise, Russia needs to meet two conditions: to carry out a political transition and to abandon its imperialist course. Alongside this, Germany highlights the need to maintain communication with the Kremlin.

---


14 *Sozialdemokratische Antworten..., op. cit.*

According to SPD members in the Bundestag and Bundesrat, one method for restoring confidence in Russia involves creating this confidence in selected areas (the so-called ‘islands of cooperation’) and pursuing a policy of small steps.\(^{16}\) Secondly, in the opinion of the German coalition government it is Vladimir Putin and his aides who are responsible for the invasion of Ukraine, while Russian society has fallen victim to the regime; this approach may facilitate the normalisation of Berlin’s relations with Moscow following the end of the armed conflict.

This vision of the future post-war Ostpolitik does not envisage a radical change in Germany’s attitude towards Central Europe. Although the recent debates have drawn more attention to the region, so far no initiatives have been proposed which could indicate a new attitude towards it. Germany’s priorities remain unchanged: these include cooperation in the field of security and consultation of security issues with the region’s states, moves which are intended to restore the confidence in Germany which was ruined due to the mistakes of the previous Ostpolitik. Moreover, Germany wants the Central European EU member states to be its partners in devising a new Eastern policy for the EU as a whole. Although numerous German politicians have called for shifting the Ostpolitik’s centre of gravity from Russia to the states of Central Europe, the developments of recent months suggest that Germany is still failing to treat these countries as equal partners. Key decisions regarding the war and potential peace talks are being taken in cooperation with the US, France and the UK, and Paris continues to be Berlin’s most important partner as regards new EU-wide initiatives, and Germany continues to perceive itself as the intermediary between the Western and Eastern members of NATO and the EU. However, it cannot be ruled out that in the future Berlin will differentiate its approach towards specific Central European states depending on what stance they adopt towards institutional reforms in the EU. If this is the case, it is likely that those in favour of extending the majority voting system in the Council of the EU to include common foreign policy issues would receive more comprehensive offers of cooperation, including in issues beyond the field of security.

Germany’s ideas regarding the Eastern European states are even vaguer than those relating to the central part of the continent. Despite this, it seems that three main factors will determine Berlin’s cooperation with that region:

- the NATO and EU membership aspirations cherished by Ukraine, Moldova and Georgia,

\(^{16}\) *Ibidem.*
• moves to diversify energy resources, and

• the support for and promotion of democratic values and assistance in efforts to build civil society.

Ukraine has a special place in Germany’s new Ostpolitik, as a country which Germany could use as a platform to restore its reputation. This is why Berlin is determined to offer multifaceted support to Kyiv, while at the same time emphasising its role as an essential donor and partner which can provide Ukraine with stable and long-lasting assistance in all aspects. However, it should be noted that due to the ongoing hostilities, the main emphasis at present is being placed on military assistance. Despite this, the magnitude of support offered by Germany and Berlin’s participation in preparations to reconstruct Ukraine may suggest that Germany is seeking a long-term, profound involvement in this country. This is evidenced by the fact that Germany has declared its willingness to coordinate the reconstruction process. Berlin continues to support Kyiv’s pro-European ambitions, although it has made them conditional on institutional reforms within the EU. These in turn are likely to take some time due to the controversy this issue has raised in specific member states. An even greater degree of caution is evident as regards Ukraine’s NATO membership aspirations. The German stance on this issue was reflected in the declaration adopted at the NATO summit in Vilnius. The document says that in order to become a member of the Alliance, Kyiv needs to obtain the consent of all the allies and meet certain conditions.

The US and China: recalibrating cooperation

Russia’s invasion of Ukraine is one element of the German government’s more general reflection on the shift of the international order towards multipolarity, which poses a challenge to the previous doctrine of multilateralism, which to date has been one of the foundations of Germany’s foreign policy. This systemic framework, combined with an efficient use of diplomatic instruments and economic potential, has enabled Germany to become one of the world’s leading economies and decisionmakers in security and development issues, despite not having similar military capabilities to those of the UN Security Council members. Faced with the Russian invasion of Ukraine, Germany still

intends to boost multilateralism (for example by reforming institutions such as the UN) while at the same time still being ready to adapt its foreign policy to the realities of a multipolar world order. This approach is not new, as it fits in with the concepts highlighting the growing influence of new regional powers (Gestaltungsmächte) on the international situation, which were already present in internal debates and strategic documents in the previous decade.\(^\text{19}\)

To some degree, adopting this approach represents an attempt to escape from the trap of maintaining balance in relations with the US, which is the guarantor of Germany’s security, and with China, which is its biggest trading partner. It enables Berlin to avoid the narratives emphasising the bipolarity of the international order, which would force it to abandon its previous strategy of balancing between Beijing and Washington.\(^\text{20}\)

However, the desire to maintain the status quo does not change the fact that after 24 February 2022 Germany did indeed revise its approach towards these two countries.

The analysis of the mistakes and omissions of Ostpolitik has fuelled the debate on the need to revise Germany’s policy towards China, which in many ways is similar to that which it had historically pursued towards Russia, and which is linked with the same, or even greater, level of risk. Since diplomatic relations between Germany and China were established, their main purpose has been to develop trade and economic cooperation. This has resulted in Berlin becoming dangerously dependent on a state which is balancing between an authoritarian system and a dictatorship, and whose revisionism poses a threat to international stability.\(^\text{21}\)

Concerns about what form Berlin’s economic cooperation with Beijing would take were exacerbated by the fact that over recent years Chinese companies have boosted their efforts to compete with German ones and increased their investment activity in Germany. China’s policy – which posed a direct risk to state security (including the activity of Chinese secret services, economic espionage and the application of dual-use technology in the arms industry) – has complicated bilateral relations and contradicted Beijing’s declared intention to treat Berlin as a true partner. One constant element of the German debate

---


20 L. Gibadło, J. Gotkowska, ‘Germany’s first national security strategy: the minimal consensus’, OSW Commentary, no. 519, 26 June 2023, osw.waw.pl.

on the country’s course towards China is the divergence between Germany’s declared efforts to protect human rights and the minimal pressure it has put on China in these issues. Although Beijing’s aggressiveness has increased, Berlin’s course towards it has remained unchanged; this in turn has begun to provoke tensions in its relations with its allies. The most serious tensions emerged in the relationship with Washington, and manifested itself in the dispute over the involvement of the Chinese companies Huawei and ZTE in the expansion of Germany’s 5G network.

Therefore, the Russian invasion of Ukraine can be viewed as a projection of the possible consequences for Germany of an armed confrontation between China and the US (or one of its allies) in the Indo-Pacific region. It has also served as a catalyst for the debate on Berlin’s new policy towards Beijing. From the outset of this debate, both the ruling parties and the opposition CDU/CSU have supported the need to reduce Germany’s economic dependence on China. However, the subsequent course of the debate exposed certain differences in the specific parties’ views regarding Germany’s future approach to that country. The Greens were willing to toughen this policy in a more radical manner, both in rhetorical terms (vide the stronger criticism of China’s violation of human rights and international law offered by Foreign Minister Annalena Baerbock) and in the form of the proposals devised by the Ministry for Economic Affairs and Climate Action regarding the new reporting obligations for companies which are “(too) heavily involved in China”. However, at present it seems that Berlin intends to minimise the confrontational aspect of its activities towards Beijing. There are two indications corroborating this view. The first is the position adopted by the Chancellery, which continues to be the main architect of Germany’s foreign policy. From Germany’s point of view, China’s condemnation of the use of nuclear weapons and nuclear threats is a key argument which could deter the Kremlin from using these weapons. Germany’s national security strategy contains a brief section (two paragraphs) focused on China, and the relationship with China is still based on the current triad of partnership, competition and strategic rivalry, although the importance of the latter two elements has increased over the last few years. The other indication (which is evident for example in the Strategy on China) involves Germany’s rejection of an abrupt reduction in or severance of economic ties, and instead relies on the diversification of trade relations and the reduction of

23 See M. Bogusz, L. Gibadło, ‘Cooperation in spite of everything. Scholz’s visit to China’, OSW, 7 November 2022, osw.waw.pl.
economic dependences.\textsuperscript{25} As a consequence, Berlin intends to gradually shift its cooperation towards including Asia, Africa and South America, as well as countries guided by democratic values (the so-called ‘friendshoring’ approach).

While the war has forced Germany to revise the course of its Ostpolitik, it has provoked a renaissance in Berlin’s perception of Washington as the guarantor of its security. However, since the beginning of this century it has been evident that Germany was gradually losing confidence in US policy, a trend which came to a head during Donald Trump’s presidency. At that time Berlin was shocked by the message he spread, openly criticising Germany for failing to meet its allied commitments regarding defence spending, and for pursuing its foreign policy mainly with a view to obtaining economic benefits, to the detriment of its allies, including the US. This was also when, as a result of Washington adopting a new foreign policy paradigm, Germany was seriously confronted with a shift in the international order: its decision to enter into strategic rivalry with China, Russia and the United States’ regional competitors equated to an overt rejection of the principle of maximum cooperation and seeking compromise even in relations with difficult partners which Berlin had previously endorsed.\textsuperscript{26} Trump’s actions, including challenging the Allies’ commitments within NATO, provoked a debate in the EU about the need for Europe to reduce its dependence on its alliance with the US. In Germany, however, this debate focused on the economy and financial issues rather than on security.\textsuperscript{27} Berlin approached the subsequent French proposals regarding Europe’s strategic autonomy with scepticism.\textsuperscript{28} When Joe Biden won the US presidential election in 2020, Germany expressed the hope that this development could facilitate the improvement of its relations with Washington.

When after 24 February 2022 a direct threat emerged in the vicinity of NATO’s borders and Germany was forced into realising its own military shortcomings, the country’s decisionmakers were reinforced in their conviction that the alliance with the United States was (and remains) of crucial importance, as does the US military presence in Europe. In this new situation, Berlin has expanded its goals beyond its concern about the stability of this alliance, and has begun to focus on efforts to maintain Germany’s status as the US’s most important

\textsuperscript{25} China-Strategie der Bundesregierung, Auswärtiges Amt, 21 July 2023, auswaertiges-amt.de.
\textsuperscript{26} J. Gotkowska, ‘US-German clash over international order and security. The consequences for NATO’s Eastern flank’, OSW Commentary, no. 294, 22 February 2019, osw.waw.pl.
\textsuperscript{27} See H. Maas, ‘Wir lassen nicht zu, dass die USA über unsere Köpfe hinweg handeln’, Handelsblatt, 21 August 2018, handelsblatt.com.
\textsuperscript{28} J. Gotkowska, ‘European strategic autonomy or European pillar in NATO? Germany’s stance on French initiatives’, OSW Commentary, no. 320, 21 February 2020, osw.waw.pl.
ally in Europe, despite the mistakes of its Ostpolitik and the weakness of the Bundeswehr. This meant that Berlin started to view Washington’s stance as an indispensable element of the decision-making processes regarding German involvement in providing military assistance to Kyiv. Berlin’s decision to make the dispatch of Leopard tanks to Ukraine conditional on Washington delivering Abrams tanks to Kyiv was an excellent example of this approach.

This approach is also evident in Germany’s declared readiness to adopt the concept of ‘partnership in leadership’ which US President George H.W. Bush proposed to the German government back in 1989. The modernisation of the Bundeswehr (regardless of the problems with its implementation), the decision to allocate €100 billion for this purpose in the form of a special fund, Berlin’s unwavering support for the development of Europe’s security potential within NATO, and its rejection of competing European initiatives are all intended to make this process of preparation increasingly credible. Moreover, Germany is also seeking to expand its alliance with the US by increasing cooperation with this country in other areas. Aside from the joint commitment to defend international law and democratic values, the other pillars of this cooperation include energy collaboration and supplies of LNG, which are expected to replace supplies of gas from Russia.29

Germany’s increased activity in its relations with African, Asian and South American states is a spin-off of its recent reflections on the shift towards a multipolar world in which regional actors will play an increasingly important part. It is also an element of its rivalry with China. The intention to procure energy carriers to replace those previously imported from Russia and to seek an alternative to Germany’s economic cooperation with China has urged Berlin to find new partners. This is why the Scholz government has consistently emphasised the importance of countries from outside the transatlantic area. Berlin’s intention to revive cooperation with these countries is corroborated by the fact that Germany has listed collaboration with Asian, African and South American states among the priority goals of its foreign policy, as discussed in platform documents and speeches delivered by German decision makers. Other facts supporting this view include Berlin’s efforts to devise special strategies targeted at specific regions, and its attempts to come to terms with its own post-colonial past.30

29 See M. Kędzierski, ‘At all costs. Germany shifts to LNG’, OSW Commentary, no. 510, 28 April 2023, osw.waw.pl.
The narrative Berlin has adopted also serves to lend credibility to the image of Germany as a member of the West, and as an actor which does not intend to impose its political and economic perspective on these countries. Germany has emphasised its conviction that the ongoing armed conflict in Ukraine is not a priority threat for countries such as India and Brazil, as their most important challenges include the fight against climate change and the eradication of poverty.

**The EU: through reforms to global leadership**

The war has become an argument which Berlin is using to push through a quick reform of the EU, which is one of the goals of the SPD-Greens-FDP coalition. From Germany’s point of view, the EU needs to strengthen its position so it can face global rivalry and establish new partnerships. In addition, the EU enlargement plan to include the Western Balkan states, Ukraine, Georgia and Moldova (which Berlin supports) will require institutional efforts to streamline the organisation’s operation, if it is to have more than 30 member states in the future. Germany views this reform, which is the most important for the EU’s external and internal policy, as a prerequisite for the admission of further countries to the bloc. For Germany, the Russian invasion of Ukraine was an impetus to implement the changes which the Merkel government had endorsed in previous years and has been strongly emphasised in the SPD-Greens-FDP coalition agreement, on which basis a government was formed whose long-term goal is the federalisation of the EU.

Germany has repeatedly emphasised its special responsibility for the future of the EU, which derives from its status as the bloc’s largest economy, and as a nation which aspires to be the European security leader. It has therefore assumed the leading role in the process of implementing the reforms. Recent months have brought certain dominant features of this process to light. Firstly, France continues to be Germany’s most important European partner, and it is in cooperation with France that Berlin will devise the most important initiatives regarding the EU’s future. One example of this is the decision to include the EU reforms among the most important topics of consultation between the heads of government, ministers and parliamentarians of the two states, and by

---


32 *Rede von Bundeskanzler Scholz im Rahmen der Diskussionsreihe “This is Europe” im Europäischen Parlament am 9. Mai 2023 in Straßburg*, Bundesregierung, 9 May 2023, bundesregierung.de.
the move to establish a bilateral group of experts to prepare recommendations relating to the EU’s institutional reforms.

Secondly, one of Germany’s most important intentions is to extend the qualified majority voting (QMV) system in the Council of the EU to the common foreign and security policy (CFSP). To justify this plan, Berlin has cited the likely problems with reaching compromise in an EU composed of more than 30 member states, based on instances of major decisions being blocked by the veto of a single member state. Plans have been made to gradually expand the qualified majority voting system; initially this will cover the least controversial issues, such as human rights.

Thirdly, German politicians intend to protect the rule of law and the EU’s fundamental values. Unlike the Merkel governments, the SPD-Greens-FDP coalition has emphasised the importance of these issues in a much more consistent and strong manner, and has openly criticised Hungary and Poland for their conduct in this respect. As a consequence, the German government is supporting the measures launched by the European Commission and the European Parliament to carry out inspections and eliminate any ‘deficits’ in member states’ compliance with the rule of law.

Achieving these goals is Berlin’s maximum plan. However, Germany is aware that some member states, especially in Central Europe, are not enthusiastic about this concept. This is why it has launched a two-track policy in this area. On the one hand, it is strongly involved in cooperation with those countries which share the German vision of the EU’s institutional reform (in particular France). On the other hand, since Chancellor Scholz’s August 2022 speech in Prague, Germany has gradually reduced its goals as regards QMV: now it is mainly focused on extending the voting mechanism to foreign policy and on applying the currently valid treaty provisions, the so-called passerelle clauses. An article authored by the foreign ministers of Belgium, the Netherlands, Spain, Luxembourg, Germany, Romania and Slovenia can be viewed as one manifestation of this stance; it lists mechanisms which could be applied to expand QMV without the need to modify EU treaties. These include the instruments mentioned in Article 31 of the Treaty on the EU: greater use of ‘constructive abstentions’, using QMV in selected common policy areas in line with Article 31 (2) of the TEU (for example, regarding decisions to set up

33 A. Baerbock et al, ‘It’s time for more majority decision-making in EU foreign policy’, Politico, 12 June 2023, politico.eu.
the operating conditions for civilian EU missions, and to coordinate common EU positions to be presented in international human rights forums), and the application of passerelle clauses.\textsuperscript{34} To dispel the doubts voiced by those countries which are sceptical of the reform, work on a ‘safety net’ mechanism has been announced. This goes beyond the current possibilities for blocking the adoption of decisions concerning the CFSP which are unfavourable to the national interests of individual member states. Less frequent and smaller emphasis on the proposals to tighten the mechanisms for monitoring the rule of law is an additional ‘incentive’, targeted mainly at Poland and Hungary. In this way, Berlin may be hinting that the institutional reforms are more important than protection of fundamental values, and that it is willing to sacrifice these values if this results in the opponents of greater use of QMV modifying their stance. However, it cannot be ruled out that the German government, which remains determined to pursue its goals, will decide to create a separate cooperation format within the EU to include those member states which support increased consolidation. This move would make it possible to apply the QMV system in matters relating to the CFSP, which would equate to an EU with different degrees of integration ultimately taking shape.

\textbf{Summary}

The Russian invasion of Ukraine has forced Germany to revise the key areas of its foreign policy and to make what seems to be a unique pre-emptive move. The ‘reluctant hegemon’\textsuperscript{35} has verbally assumed the role of Europe’s leader in an attempt to salvage its reputation, which was heavily damaged as a result of its insufficient preparedness for and response to the threats posed by China and Russia’s conduct, the mistakes of its Ostpolitik, and post-24 February 2022 by its reluctance to provide military assistance to Kyiv. As “the guarantor of European security that our allies expect us to be, a bridge builder within the European Union and an advocate for multilateral solutions to global problems”\textsuperscript{36} Germany still wants to shape the post-war order in Europe and to maintain its influence on global affairs.

The reassessment which the Zeitenwende is currently undergoing, however, does not indicate any significant breakthrough. The vast majority of its ideas

\textsuperscript{34} For more see for example J. Mintel, N. von Ondarza, ‘More EU Decisions by Qualified Majority Voting – but How?’, SWP Comment, no. 61, Stiftung Wissenschaft und Politik, 19 October 2022, swp-berlin.org.


\textsuperscript{36} O. Scholz, ‘The Global Zeitenwende...’, op. cit.
are based on old concepts which the armed conflict in Ukraine has simply revived. Berlin wants to an even greater degree to base its foreign policy on two well-established pillars. The first is the EU institutional reform which was endorsed in German debates long before 24 February 2022; it will also help Berlin to push the debate on efforts to step up integration in the field of finance into the background, which is important because the German authorities remain sceptical about this concept. The other pillar involves Germany’s relations with the US. The Russian aggression has compelled Berlin to realise that there is no alternative to Washington as an actor which could respond to any military threat affecting Germany. This is why the war in Ukraine has offered Germany an opportunity not just to renew its alliance with the US, but also to strengthen it as much as possible and consolidate its position as the US’s leading partner in Europe. As a consequence, Germany is making its security policy even more dependent on cooperation with its American partners.

The Zeitenwende’s progress in areas in which the most profound change was expected is also limited. Although work on Ostpolitik is far from complete, the continued application of certain elements of the previous concept is already evident. These include highlighting the difference between Russian society and the Russian ruling elite, and the need to maintain dialogue with the Kremlin. Just as in previous years, the absence of any ideas for renewing Germany’s relations with Central Europe or for new initiatives aimed at Eastern Europe is also noticeable. Against this backdrop, Germany’s involvement in Ukraine does seem to be a real innovation, although it too could be viewed as a tool to boost Berlin’s importance in potential peace negotiations and restore its credibility among its allies. A particularly conservative approach in Germany’s relations with China is also apparent. Although Berlin is likely aware that a quick shift is necessary, the network of its dependences on Beijing and the fear of the consequences should these ties be abruptly severed oblige it to remain cautious. This in turn undermines its intentions to revise its China policy. It therefore cannot be ruled out that the first tangible effects of the Zeitenwende will emerge in Germany’s European and transatlantic policy, while a breakthrough in the form of a new Ostpolitik will take more time to materialise.

LIDIA GIBADŁO
IV. GERMANY’S ZEITENWENDE AND THE FUTURE OF THE EUROPEAN SECURITY ARCHITECTURE

The Russian invasion of Ukraine has made it clear to Germany that it is impossible to shape European security together with Russia for the foreseeable future. Berlin has come to understand that it is necessary to strengthen NATO’s collective defence, increase the Allied presence on the eastern flank and arm Ukraine in the face of the Kremlin’s aggressive actions. Germany is ready to bear the costs of investing in national and collective defence over the next few years, and to continue delivering military aid to Ukraine.

However, it appears that the Chancellery’s long-term preference – in case the war ends and political changes happen in Russia – is a partial return to the post-Cold War concept of European security architecture. That concept was underpinned by arms control measures, self-imposed limits on NATO’s presence in the Central European member states, and refraining from enlarging NATO into Eastern Europe, coupled with dialogue and cooperation with Russia. A European security order that would imply a long-term, systemic and costly confrontation with Moscow is for the time being beyond Germany’s thinking. Berlin’s attitude may only be modified in the future as a result of a shift in Washington’s policy: on the official termination of the NATO-Russia Founding Act and the granting of US security guarantees, together with a real NATO membership perspective to Ukraine. This in turn will probably depend on domestic political developments inside Russia itself.

The post-Cold War European security architecture

After the end of the Cold War, the reunified Germany pursued two objectives that were determined by political, security, economic and historical reasons: to stabilise its eastern neighbourhood by expanding NATO (and later the EU) to include the Central European countries, and for those two organisations to develop a strategic partnership with Russia. These efforts in the security sphere, and not only by Germany, resulted in the signing of the NATO-Russia Founding Act on Mutual Relations, Cooperation and Security in 1997 and the accession of Poland, Hungary and the Czech Republic to NATO in 1999.

With regard to the new member states (implicitly those from Central Europe), the NATO-Russia Founding Act stated that in the current and foreseeable security environment, NATO would carry out its collective defence missions by ensuring the necessary interoperability, integration, and capability for
reinforcement rather than by the additional permanent stationing of substantial combat forces. The Alliance also made a political commitment not to deploy nuclear weapons in these countries. As a result, NATO’s infrastructure, exercises and military presence on the territory of the Central European member states remained at very modest levels until 2014.

Germany’s attitude towards Russia at that time was illustrated by the notion that “European security can only be built with Russia, not against it”. In this spirit, Germany regarded the non-NATO and non-EU Eastern European countries (including Ukraine) as a ‘common neighbourhood’ where the EU and Russia could reconcile the pursuit of their economic interests. Germany did not want to integrate these countries into the Euro-Atlantic structures as this could have jeopardised the development of NATO and the EU’s partnership with Moscow, which Germany saw as a priority for stabilising security in Europe. For this reason, Germany opposed the granting of Membership Action Plans (MAPs) to Ukraine and Georgia at the 2008 NATO summit in Bucharest.

Following Russia’s annexation of Crimea and its intervention in the Donbas in 2014, it became imperative for Germany to avoid an escalation of tensions between Russia and Ukraine and to prevent war in Eastern Europe. Germany assumed the responsibility for diplomatic efforts within the Normandy Format aimed at resolving the conflict. At the same time Germany shied away from supplying weapons to Ukraine, arguing that it was acting as an intermediary between the two countries; it was also wary of greater NATO support for Ukraine. Berlin’s preferred solution was to resolve the conflict diplomatically by implementing the Minsk agreements. Shortly before the Russian invasion of Ukraine in February 2022, the German government presumably expected to obtain concessions from Ukraine vis-à-vis Russia, which would have de facto enabled the Kremlin to influence Ukraine’s domestic and foreign policy.

At the same time, after 2014 Germany began to see Russia as a challenge (but not a threat) to the European security order. Official strategic documents (the 2016 White Paper on Security Policy and the Future of the Bundeswehr) continued to emphasise that Europe’s long-term security and prosperity could not be shaped without cooperation with Russia. Maintaining stable and predictable relations with Russia and looking for avenues of cooperation in other areas remained one of Germany’s objectives. Energy was the main sphere of bilateral cooperation. Berlin saw an opportunity to increase the competitiveness of the

---

German economy and sought to set up a gas hub in Germany, over the interests of the Eastern and Central European countries.

Within NATO, Germany favoured a combination of strengthening collective defence and engaging in some elements of dialogue with Russia, including on arms control and sectoral cooperation. In 2016, Germany agreed to an Allied military presence in Poland and the Baltic states, but at the same time argued that it should be limited in line with the NATO-Russia Founding Act. Germany’s (and the United States’) adherence to the provisions of this political document resulted not in a permanent but a rotational presence of four NATO battalion-size battlegroups (around 1000 troops) in Poland and the Baltic states. In the process, Germany became the framework nation for a battlegroup in Lithuania, deploying 600–700 Bundeswehr soldiers there, and it began to participate in military exercises in the Baltic states. Although this was a relatively minor commitment, it helped to overcome Germany’s reluctance to take part in NATO activities aimed at deterring Russia.

In 2018, the German Ministry of Defence adopted the Bundeswehr Concept, a document that placed the defence of the national and Allied territory on a par with German participation in crisis management operations. As part of the Bundeswehr Capability Development Plan for 2018–2032, Germany committed itself to developing capabilities for the NATO Defence Planning Process. The German Army was scheduled to deploy one fully equipped brigade to the VJTF in 2023, one fully modernised division for NATO Response Force (NRF) by 2027 and another two by 2031. The German Air Force would send four operational air force groups, while the Navy would contribute 25 surface ships and eight submarines. The plans called for increasing the size of the Bundeswehr to 203,000 soldiers in active service (the current level stands at around 180,000 soldiers) and another 90,000 in reserve service.

**The Zeitenwende: the short-term consequences**

Russia’s full-scale invasion of Ukraine on 24 February 2022 took Germany by surprise. The German government had short-sightedly and dogmatically believed that its strategy towards Russia would deter it from further aggression and stabilise the situation in Eastern Europe. Chancellor Olaf Scholz’s speech on 27 February 2022, which proclaimed an ‘epochal turn’ in German policy,

---

2 J. Gotkowska, ‘The war in Ukraine: consequences for the Bundeswehr and Germany’s policy in NATO’, *OSW Commentary*, no. 436, 30 March 2022, osw.waw.pl.
was focused on the shift in Germany’s attitude on arms supplies to Ukraine and included pledges to impose sanctions on Russia, reinforce NATO’s eastern flank, create a special fund to modernise the Bundeswehr, allocate 2% of the country’s GDP to defence, and reduce Germany’s dependence on imports of Russian energy resources.

At the same time Germany assumed that Kyiv and most of Ukraine would be captured within a matter of days, and thus initially decided to provide only limited arms supplies. Thanks to the effective Ukrainian armed resistance, and pressure from Ukraine and the NATO allies, the German government began to expand its support as of the summer of 2022. Berlin is now planning long-term supplies of arms and military equipment to the Ukrainian Armed Forces. In July 2023, Germany signed a G7 Joint Declaration that announced the launch of negotiations to formalise long-term bilateral security commitments and arrangements to provide military aid to Ukraine.

It is difficult to calculate the exact value of the German military aid to date. According to official figures it amounted to €2 billion in 2022, and is expected to reach €5.4 billion in 2023; the German government wants to allocate €10.5 billion for this purpose over the next few years. These are large amounts, but they encompass not only the value of the equipment that Germany has transferred and pledged to deliver from the Bundeswehr’s stocks or ordered from arms manufacturers; they also include Germany’s contribution to the European Peace Facility and the costs of purchasing arms and military equipment for the Bundeswehr to replace those that have been handed over to Ukraine. To date, Germany has mainly supplied logistics and air defence equipment (such as the Patriot, IRIS-T SLM and Gepard systems) as well as protective and non-lethal material, but much fewer heavy ‘offensive’ weapons.³

This type of support reveals the concerns of the Chancellery, which shapes Germany’s policy towards Russia and Ukraine. It dreads either a (nuclear) escalation of the conflict or the negative consequences of a (chaotic) collapse of Putin’s regime in the event of a resounding Russian defeat in the war. For these reasons, Germany is more interested in achieving a controlled stabilisation of the conflict, of a kind which could involve freezing the front lines and finding diplomatic solutions, combined with maintaining the pressure from sanctions on Russia. Germany has been and remains cautious (much more so than the

³ Germany has been supplying artillery, tanks and infantry fighting vehicles in small numbers or in cooperation with partners such as Denmark and the Netherlands. See ‘Liste der militärischen Unterstützungsleistungen’, Die Bundesregierung, bundesregierung.de.
Biden’s administration) about supplying Ukraine with the more modern offensive arms and military equipment (currently fighter jets and long-range missiles) that would allow the Ukrainian Armed Forces to recapture the territories that Russia has seized.

Germany has abandoned the concept of Ukraine as a ‘common neighbourhood’ between the West and Russia. Berlin now seems to perceive Ukraine rather as a satellite of the Euro-Atlantic structures, albeit not necessarily an actual part of them. Since June 2022, Germany has officially supported EU enlargement to include the Western Balkan countries as well as Ukraine, Moldova, and in the longer term Georgia, linking this process to the need for internal reform of the EU. However, the official rhetoric has failed to dispel doubts about the steps Germany is actually taking towards admitting Ukraine to the EU, and the timeline for achieving this. On the issue of Ukraine’s accession to NATO, Germany officially supports the open-door policy and the position that was agreed back in 2008, which says that Ukraine will become a member of the Alliance at some point in the future. However, in practice Germany (like the US) is still reluctant to make an unequivocal promise of membership to Ukraine, or to set out a clear path to achieving this goal. With such an approach Ukraine might find itself stuck in a security grey zone between the West and Russia. The provisions of the communiqué from the July 2023 NATO summit in Vilnius about the required consent of all the member states and the need for Ukraine to fulfil certain conditions de facto reflect the lack of consensus on this issue.

However, there has been a shift in Germany’s stance on NATO’s collective defence. In June, for the first time, Russia was clearly defined in the freshly published German national security strategy as posing a threat to the security of Germany and its NATO and EU allies and partners. In the document, the government emphasised NATO’s key role as a collective defence organisation, and again highlighted the importance of NATO’s conventional and nuclear deterrence. After the start of the Russian invasion of Ukraine, Germany increased its presence in NATO’s activities on the eastern flank, albeit to a far

---

4 This position was also included in Germany’s national security strategy released in June 2023. See L. Gibadlo, J. Gotkowska, ‘Germany’s first national security strategy: the minimal consensus’, OSW Commentary, no. 519, 26 June 2023, osw.waw.pl.


6 The German Air Force has stepped up air policing of Polish and Romanian airspace; the Navy has become more involved in maritime operations in the Baltic and North Sea; the Army has temporarily increased its presence to 900 troops in the NATO battlegroup in Lithuania, and has also deployed a tank company to the newly formed battlegroup in Slovakia. The Bundeswehr has also contributed to the strengthening of air defence in Slovakia and Poland by deploying Patriot systems in both countries.
lesser extent than the United States. In June, Defence Minister Boris Pistorius declared that Germany was ready to permanently deploy a brigade of around 4000 troops to Lithuania, provided that the Lithuanian government prepares an adequate military and social infrastructure, although this could only become a reality in 2026 at the earliest.

Germany has also begun to ramp up its defence spending. In June 2022, the Bundestag approved the creation of a €100 billion special fund for modernising the Bundeswehr; the fund was only activated this year. In 2023, €8.4 billion from the fund will co-finance the armament programmes, while up to €9.6 billion from the regular defence budget (which totals €50.1 billion, or 1.57% of GDP) will also be allocated to modernisation. In 2014, the Defence Ministry is set to receive an additional amount of up to €19.2 billion from the fund. According to calculations by the German Ministry of Finance, the additional funds will allow Germany to reach the NATO target for spending 2% of the country’s GDP on defence in 2024 and possibly beyond. Meanwhile, the regular defence budget will remain constant at €51.8 billion per year in the coming years.7 However, apart from strengthening Germany’s air defence (the Arrow-3 system), the government currently has no plans to revamp and enhance the Bundeswehr’s capabilities, as the defence investments are based on the 2018 Bundeswehr Concept and the Bundeswehr Capability Development Plan for 2018–2032.

Long-term challenges

The implementation of the three regional defence plans that were approved at the NATO summit in Vilnius will be an equally, if not more important measure to strengthen collective defence over the next few years.8 The degree and pace of the Bundeswehr’s involvement in these plans will show how seriously Germany takes the need to ensure credible Allied defence. In view of the greater demands that NATO has placed on the allies, after the next round of the NATO Defence Planning Process (NDPP) the German Defence Ministry should prepare a new Bundeswehr concept and a new capability development plan. These would replace the guidance documents from 2018 and bring the

---

7 In the first instance, the fund will be used to finance (in whole or in part) the purchase of 60 US-made CH-47F heavy transport helicopters, 35 US-made F-35 aircraft, the Israeli-American Arrow-3 exo-atmospheric ballistic missile defence system, and the Main Ground Combat System (MGCS) programme developed in cooperation with France.
8 The assignment of specific units to these plans, the increase in combat readiness of the Allied forces and the conduct of enhanced exercises will be the subject of further discussions in 2023 and 2024. See footnote 3.
German Armed Forces into line with the current Allied planning. However, any further enhancement of Germany’s military capabilities will depend on the country’s long-term defence funding. Although the government has announced that it will allocate c. 2% of Germany’s GDP to defence from 2024 onwards, it is difficult to predict whether this level will actually be maintained in the following years. This will depend on the speed of the procurement process for new arms and military equipment, as well as what investments are made in military infrastructure. On the other hand, if the Ministry of Defence uses the money from the special fund each year, future governments will face the challenge of significantly increasing the regular defence budget after 2027 in order to maintain the NATO-agreed level of spending – and this will be difficult to do.

The key questions about Germany’s current strategy relate to Russia and Ukraine’s position in the future European security architecture. Germany does not want to see the official termination of the NATO-Russia Founding Act because the Chancellery and the co-ruling SPD want to keep open the possibility of returning to the provisions of this document as part of the future arrangement of NATO’s relations with Russia. Germany opposes a complete rejection of the post-Cold War constraints enshrined in the Act, as it hopes that these could be helpful in restoring cooperative security with Russia after the war ends and if any political changes take place there. At the same time, Germany and other allies have agreed that the self-imposed limits on the conventional (though not nuclear) Allied presence on the eastern flank will not apply until Russia abandons its aggressive policy and returns to compliance with international law. The Alliance has so far refrained from taking any steps to actually demonstrate that the Act is no longer applicable. The declaration of the permanent deployment of a German brigade in Lithuania is an important signal from Berlin, which suggests that Germany is stepping away from the limits imposed by this document. In addition to Germany, Canada has also announced that it will increase its military presence (in Latvia). Therefore, NATO forces could be expanded to two brigades in both these Baltic states in the coming years, provided that Berlin and Ottawa have the political will and military capabilities to deliver on their pledges.³

Even if it is ready to increase its engagement in NATO’s deterrence and defence in the short term, it appears that at this stage Germany does not envision a systemic, long-term confrontation with Russia and devising the future

³ Estonia and the UK have not as yet agreed on a similar arrangement.
European security architecture accordingly. This is why it is not ready to discuss the enlargement of NATO to include Ukraine. Germany’s attitude may change in the future as a result of a change in Washington’s stance, such as official denouncement by the US of the NATO-Russia Founding Act and the granting of US security guarantees to Ukraine, which the Biden administration is currently unwilling to do. The United States is wary of any additional long-term engagement in Europe to directly face off against the Russian Federation in Ukraine (apart from the defence of NATO’s territory); any shifts in this approach will probably depend on domestic political developments in Russia itself.

JUSTYNA GOTKOWSKA
V. FEAR OF CHANGE.
THE SOCIAL COSTS OF THE ZEITENWENDE

When Chancellor Olaf Scholz delivered his speech in the Bundestag on 27 February 2022, he convinced the majority of the German people that their country was at a ‘turning point’ (Zeitenwende). However, from the very start public belief in the politicians’ ability to cope with the anticipated challenges was limited. Only one in ten people declared that they had a high degree of confidence in the government’s ability to deliver results, while one in three had no such confidence at all.1 As the implementation of the reforms proceeded over the next few months, the public became increasingly concerned about their impact. This trend has continued, especially with regard to the implementation of the key project: the transformation of the country’s energy and climate policy. These growing concerns have been compounded by the fear of impoverishment, which is much stronger in the east of the country, where worries about the consequences of the changes associated with the ‘new era’ and the fear of another transformational shock (after the one in 1989) are all too palpable.

The Alternative for Germany (Alternative für Deutschland, AfD) has capitalised on the mood of anxiety and dissatisfaction with the ruling coalition’s performance to gain increasing support and become the second most popular party in Germany. Maintaining the unity of society, bridging the differences between the people of eastern and western Germany in their attitudes to the consequences of the Russian-Ukrainian war, and the issue of further assistance to Ukraine will become major campaign themes in the run-up to the 2025 Bundestag elections.

The arrival of refugees from Ukraine became a test of the public’s reaction to the Zeitenwende. In the early stages of the war, Germany was the second most popular country of choice for fleeing Ukrainians after Poland. This was determined both by geographical proximity and the presence of an already existing Ukrainian diaspora. Other important factors included the reputation of Germany as a refugee-friendly country, its extensive welfare system and ample job opportunities on the labour-starved German market (see Appendix). At the time of the invasion of Ukraine, the vast majority of German people (91%) felt that accepting war refugees from that country was the right decision.

1 T. Petersen, Ein Funken Hoffnung, Institut für Demoskopie Allensbach, 21 December 2022, ifd-allensbach.de.
Only a part of the AfD electorate had a different opinion, with 19% of those questioned saying that it was the wrong decision.² The negative attitude of both the AfD and its supporters on this issue continued thereafter. In fact, it also extended to other war-related measures: in July 2022, 80% of AfD supporters opposed the imposition of sanctions on Russia that could have negative consequences for Germany.³

In a survey published in mid-January 2023, the German people did not stand out from those in other European countries in terms of their attitudes towards the war or their willingness to help Ukraine; they did not deviate significantly from the average in most categories.⁴ However, one notable exception came in the response to the statement “Ukraine’s problems are not our business and we should not interfere in them”. 43% of German respondents agreed with this, the highest percentage among respondents from the EU countries and also the highest increase since the previous survey (+11 p.p.). Two overlapping factors were responsible for this. The first of these was the economic crisis and high inflation in the country before the Scholz government had fully implemented its relief measures.⁵ The other was the influx of refugees not only from Ukraine, but also from other places (the number of asylum applications surged by around 50% compared to 2021), together with the fact that some federal states no longer had the space to accommodate them. The survey also confirmed German scepticism towards providing military support to both its NATO partners and to Ukraine, as well as the nation’s traditionally strong commitment to diplomatic action.

From the start of the war, eastern and western Germany differed significantly on the issue of assisting Ukraine, especially with military aid. The transfer of Leopard 2 tanks was supported by 59% of respondents in the western Länder (while 33% were against) compared to just 35% in the eastern Länder (where the vast majority, 57%, did not support this step).⁶ There were also fundamental differences on the plans to impose further sanctions on Russia. In western Germany, 63% of respondents supported this step despite possible negative consequences for Germany (29% were against). In the east, the opinions were almost exactly reversed: 51% opposed such restrictions while 39% approved

² ‘ARD-DeutschlandTREND März 2022’, Infratest dimap, March 2022, infratest-dimap.de.
⁵ M. Kędzierski, S. Plóciennik, K. Frymark, ‘Germany: third relief package for the energy crisis’, OSW, 19 September 2022, osw.waw.pl.
of them. There are also differences over the perception of Russia. Almost nine out of ten Germans in the western Länder (88%) and three quarters in the eastern Länder (77%) perceive Russia as a threat to global security; however, this leads to different responses to questions on some issues, including the future of US nuclear weapons on German territory. 43% of residents in the west and 29% of those in the east favour retaining the deployment of those weapons. Conversely, the percentages of those who demand their withdrawal are 35% and 54% respectively.

Frieden schaffen ohne Waffen

The wide range of German reactions to the outbreak of war, besides solidarity with the fleeing Ukrainians, has also encompassed pro-Russian demonstrations, including extensive processions of vehicles (Autokorso) through major cities. The biggest of these have been held in Berlin, Frankfurt am Main and Hanover, cities inhabited by large and well-organised Russian diasporas. In the following months, most Länder banned the ‘Z’ signs that were displayed at these rallies in a clear expression of support for Russia’s aggression against Ukraine. These events also sparked counter-demonstrations.

The celebrations to mark the end of World War II have also provided opportunities for such protests, especially in 2023. In 2022 and 2023, the Berlin government banned the use of Russian and Ukrainian flags out of fear of violent disturbances. Following an appeal against this decision, the initial ruling was partially reversed in 2023, thus allowing the Ukrainians to demonstrate with their national flags. Many cities, such as Frankfurt am Main, witnessed pro-Russian demonstrations where participants voiced their opposition to German arms deliveries to Ukraine and demanded the lifting of sanctions and the launch of the Nord Stream 2 gas pipeline. The speakers justified the war by arguing that Russia had to act in self-defence. These protests were frequently met by counter-demonstrations.

The escalating social tensions, the declining willingness to aid Ukraine, the two overlapping migration crises and the rise in prices all made it easier for AfD-affiliated groups to organise regular protests in the eastern Länder in

---

7 'Weiterhin Unterstützung für Sanktionen gegen Russland...', op. cit.
9 "Peace-building without weapons" – the slogan of the German pacifist movement.
10 Prorosyjskie demonstracje w Niemczech, OSW, 21 April 2022, youtube.com.
late 2022 and early 2023. Some of them took place every week, on Mondays, in a reference to the 1989 demonstrations in Leipzig in opposition to the then East German Communist government, which initiated the process that culminated in the reunification of Germany. These recent ones were not only about Ukrainian and Russian issues: the banners also included anti-US (‘US – occupier’) and anti-government slogans.\(^{11}\) The participants often carried Russian flags as a symbol of support for the invaders’ actions. The protests continued to intensify until the spring of 2023. After the energy crisis abated, relief packages were implemented and the public became increasingly concerned about the influx of asylum seekers from areas other than Ukraine, the AfD refocused its message at the rallies on anti-immigration demands.

Such demonstrations are not a phenomenon exclusive to eastern Germany. In the west, the tradition of pacifist protests dates back to the 1950s, in resistance to nuclear weapons.\(^{12}\) Both in 2022 (though to a lesser extent, as pandemic-related restrictions were still in force) and a year later, Easter marches calling for the preservation of peace swept through Germany.\(^{13}\) A total of around 120 such gatherings were registered in 2023, some of which attracted several thousand people: most in Berlin (up to 2000), Frankfurt am Main (up to 2000) and Hanover (around 1200). Their main demands included an end to arms supplies for Ukraine and an immediate start to Ukrainian-Russian peace talks. The participants sometimes carried Russian flags. The banners featured slogans such as ‘Peace, heating, bread instead of weapons, war and death’ (Frieden, Heizung, Brot statt Waffen, Krieg und Tod) and ‘NATO is the aggressor – peace with Russia’.

**Eastern-western Germany: (near) alien societies**

The war in Ukraine has failed to consolidate the German people in the face of danger or to narrow the differences between the country’s east and west. Quite the contrary: it has accentuated the existing disparities in a number of areas. Even though 34 years have passed since the Berlin Wall came down, the people are still fundamentally divided; in many areas we can even speak of two different societies in one country. This is largely due to the different experiences

---

\(^{11}\) M. Bartsch, ‘Sicherheit geht vor Freiheit’, Taz, 14 December 2022, taz.de.

\(^{12}\) Ł. Zieliński, T. Leś, Pacyfizm czy strach? Niemcy wobec wojny na Ukrainie, OSW, 19 November 2022, youtube.com.

\(^{13}\) Easter marches have a long tradition in Germany, dating back to the 1960s, a decade marked by protests against the stationing of nuclear weapons on German territory. Since then, demonstrations against nuclear weapons and in favour of peace have been held during Holy Week and at Easter. Trade unions and churches also regularly attend these protests.
of the residents of the eastern and western federal states, the different lessons they drew from the post-1989 transformation, and the inequalities in their material status, which has also translated into their willingness to aid Ukraine. The majority of respondents from the eastern Länder (53%, in a survey by Forschungsgruppe Wahlen for ZDF television from September 2022) still feel that they are second-class citizens. People from these regions are also more likely to recognise differences between the east and the west (57%), while those from the western Länder emphasise the prevalence of common features. Eastern Germans give much lower marks to their health care, incomes and access to culture and entertainment than western Germans. On top of this, people who live in the eastern and western Länder have completely different views of the German political system and institutions. Only 40% in the former group are satisfied with them, compared to 59% in the latter group.

The fundamental differences in the perception of the Zeitenwende in the two parts of Germany stem from the different experiences of ‘transformation/change’ (Wende is a word that has so far been used mainly to describe the events at the turn of 1989 and 1990). The residents of the western Länder tend not to see change as a threat (unlike those in the east), but rather as an evolutionary adaptation to the transforming social and economic environment. In the post-1945 history of West Germany, the processes that took place in politics, society and the economy (such as the terror of the Red Army Faction [RAF], the energy crisis of the 1970s and finally the reunification of the country) have often put the people’s unity to the test, but this never caused the existing structures to collapse. After the last of these major transformations in particular, everything stayed the same for most western Germans. The dominant thinking was that the west could remain the west (implicitly ‘normal’), while the east was supposed to adapt to this ‘normality’ and become part of it.

For the residents in the east, however, the reunification brought a fundamental change that was incomparable to anything most of them had previously experienced. The rapid incorporation into West Germany, and above all the enormity of the post-transformation challenges had a profound impact on them. In addition, they felt that the ‘alien’ Germans from the West had hijacked the reunification process. This confluence of factors created a sense of disempowerment among the citizens of the former GDR, which was later further reinforced by global crises (the economic crisis of 2008 and the migration crisis of 2015) that heightened their security concerns and created the impression

that the state was no longer in control. According to some sociologists, this led to the so-called double shock of transformation, which gave rise to a protest movement (including demonstrations by the anti-Islamic Pegida in the eastern Länders) and boosted support for the AfD.15

In addition to the negative experiences of these events, the smaller resources of the population in the eastern Länder are another reason behind the fears over the consequences of the Zeitenwende. This primarily refers to a lack of savings, lower pensions, difficulties in finding a new job in the less urbanised regions (which predominate in these areas) and reduced mobility for senior citizens. It is estimated that some 3.7 million residents from the east, mostly the younger and better-educated, have moved to the western federal states since 1989. Furthermore, inadequate representation in decision-making bodies leads to a deepening sense of disempowerment. According to figures from the University of Leipzig, only 3.5% of leadership positions in Germany are held by eastern Germans, even though their share of the population is 17%. In the ruling SPD-Greens-FDP coalition, only two out of 17 ministers come from the eastern Länder. Among the 100 largest East German companies, only 27% are headed by eastern Germans. As regards the eastern universities, only 17% of their chancellors are eastern Germans. This kind of disparity is even more pronounced in the media.16

**The myth of a friendly Russia**

The reason for German society’s different views on the war and its consequences lies in its attitudes towards Russia. During the Cold War, West Germany saw the Soviet Union as one of the superpowers, a state with significant destructive potential, but which was also an important partner in the trade of raw materials.17 By contrast, for East Germany it was an internal actor, a point of reference in all manifestations of political activity in that state. Despite the decades-long presence of Russian troops in the GDR, the eastern Länder harbour little resentment towards Moscow; therefore, the differences between the east and the west in how they view Russia remain significant. This has affected the attitudes towards the Russian invasion of Ukraine and the willingness to assist the latter. Indeed, in the eastern federal states, Russia is not seen as

---

17 A. Kwiatkowska, *Germany on Russia. Yes to links, no to rapprochement*, OSW, Warsaw 2014, osw.waw.pl.
an enemy and occupier, but rather as a liberator from the Nazi regime. In this narrative, Russia acts as a counterbalance to the West, which many people see in a negative light after the shock of the 1989 transformation – as a ‘coloniser’ that imposes its will. Then there is the ever-present, intergenerational myth of strong bonds between the Germans in the east and the Russians, which has been underpinned by factors such as numerous youth exchanges, study trips and competitions. Such events have fostered the positive image of the Russians in the eastern Länder; the former Chancellor Angela Merkel herself, born and raised in the East, made no secret of this fact.

The presence of a relatively large Russian diaspora (which has participated in demonstrations against supporting Ukraine) has also boosted sympathy for Russia in the eastern federal states. Paradoxically, the stationing of Soviet military units in East Germany also had a positive impact on the perception of Russia (in 1991, around 544,000 Soviet soldiers as well as auxiliary staff and families were still stationed on East German territory; by comparison, in Poland in late 1990, there were around 48,000 Soviet servicemen and a total of around 90,000 Soviet citizens including auxiliary staff and families). Some Germans viewed the Soviet army positively, for example as an employer, or through the prism of occasional contacts with soldiers. One effect of these experiences is the aforementioned belief in Germany’s cultural proximity to Russia, which is still reflected in opinion polls: 25% of the population in the east of Germany share this belief, compared to just 7% of those who live in the west. At the same time, almost twice as many people in the so-called old Länder (i.e. the former West Germany) feel a cultural connection to the US as do those in the east (42% and 23% respectively). The German people are also divided in their assessments of the tone of the media coverage: in the east, 33% of respondents believe that the portrayal of Russia in the media is too negative, while 37% believe that it is balanced. Among those in the west, the dominant opinion (45%) is that the coverage of Russia is objective, while 23% consider it too negative.18

Another way to interpret the residents of the eastern Länder’s vocal expressions of support for Russia is in terms of ‘Stockholm syndrome’, a psychological state of feeling sympathy for and solidarity with the oppressor.19 Eastern Germans also fear the reactions (including a possible nuclear attack) of the

18 ‘Russland-Bild der Deutschen’, Infratest dimap, October 2022, infratest-dimap.de.
Kremlin to any threat or escalation of the conflict. This is most often expressed in the conviction that resistance to such a mighty, nuclear-armed power as Russia is pointless (‘you can’t win against them’). Moreover, a large part of society feels gratitude towards Russia for the ‘favour’ of reunification, which is compounded by the persistent sense of guilt among the older generation for the crimes committed against the Soviet Union during World War II.

Another factor that generates differences in the perception of the Zeitenwende between the eastern and western Länder is anti-Americanism, which can be seen in the opposition to certain features of the Western political and economic system.20 The socialisation of parts of the older generation of Germans in two opposing military alliances also plays a significant role. The citizens of the GDR belonged to the Warsaw Pact, and the Socialist Unity Party of Germany considered the US as its main enemy. Meanwhile, in 1955 the people of West Germany became members of NATO, whose capabilities were geared towards responding to possible Soviet aggression. The differing assessments of Germany’s current security policy are the aftermath of these fundamentally different Cold War experiences. Eastern Germans are more sceptical of the federal government’s active stance in this area and less likely to support the Bundeswehr’s participation in missions abroad, insisting that its primary role is to respond to natural disasters on German territory. They also have less confidence in the US and NATO.21

**Exploiting the divisions: the surge in support for the AfD**

The AfD is the main political force that seeks to exploit the divisions among the public over the war and assistance to Ukraine. This stems from its pro-Russianism, extreme anti-Americanism and anti-immigration stance. Two-thirds of its supporters also see it as a party of protest that best expresses opposition to government policies. The party’s growing popularity confirms the effectiveness of its tactics: in mid-2023 it came second in the polls, with support of around 20%, and for the first time ever it placed ahead of the incumbent Chancellor’s party. The success of the AfD, which has been represented in the Bundestag since 2017, can be partly attributed to its opposition to the initiatives that the Scholz government has announced as part of the Zeitenwende.

20 ‘Historiker: Im Osten lebt der Antiamerikanismus der SED weiter’, Berliner Zeitung, 6 May 2023, berliner-zeitung.de.
(especially in the field of energy) and its disapproval of the German government’s continued support for Ukraine. The party’s members have also tapped into the German people’s growing scepticism about the manner and pace of the implementation of environmental reforms. This is particularly true of some of the current government’s key projects, such as the ban on the registration of cars with combustion engines in the EU and on the installation of gas and oil boilers in new buildings. A large part of the population sees this as direct, palpable interference by the state in two ‘pillars’ that German society considers extremely important: the car and the home.²²

Of all the parties in the Bundestag, the AfD has been the most outspoken in advocating an alliance with Russia, and to this end often evokes the two nations’ historical connotations (“German-Russian cooperation was beneficial for Europe in the past”²³). Its members claim that the responsibility for the war in Ukraine lies with NATO (at least as much as with Russia), and especially with the US, because it infringed upon Russia’s legitimate security interests. This bolsters the long-standing anti-American mood in German society. The party has been pushing a narrative of two equal sides in the conflict, thus blurring the line between aggressor and victim.²⁴ The AfD also opposes sanctions on Russia, and has called for maintaining economic cooperation with it (including in the field of energy) and for the launch of the Nord Stream 2 pipeline, which was designed to import gas from Russia to Germany.

What appeals to AfD voters in the eastern Länder is that the party rejects any military support for Ukraine, and keeps coming up with peace initiatives²⁵ that would de facto mean forcing it to surrender. The actions of the far right have been particularly well received in the Russian-speaking German community, which often votes for the AfD.²⁶ Moreover, the party’s politicians have repeatedly portrayed themselves as defenders of Moscow’s actions after 24 February 2022: they have appeared on Russian propaganda programmes to

²⁵ ‘Deutschlands Verantwortung für Frieden in Europa gerecht werden – Eine Friedensinitiative mit Sicherheitsgarantien für die Ukraine und Russland’, AfD, Drucksache 20/5551, 7 February 2023, dserver.bundestag.de.
²⁶ N. Friedrichs, J. Graf, Integration gelungen? Lebenswelten und gesellschaftliche Teilhabe von (Spät-)Aussiedlerinnen und (Spät-)Aussiedlern, Bundesamt für Migration und Flüchtlinge, SVR-Studie 2022-1, bamf.de.
criticise the German government, organised tours of the occupied territories and attended receptions at the embassy of the Russian Federation. In addition, they have fuelled anti-Ukrainian (as well as anti-American and anti-Polish) sentiments on social media, and attempted to influence audiences through the AfD-linked magazine Compact, which is under surveillance by counterintelligence.\(^{27}\)

Another very important reason for the AfD’s rising support is the public’s growing opposition to helping refugees. The proposal to reduce support for asylum seekers and migrants is the party’s most important political project, which has already boosted its ratings on several occasions. Moreover, voters believe that the AfD is most competent on this issue.\(^{28}\) In the early days of the war the AfD, facing divisions within its electorate, expressed its willingness to support refugees from Ukraine. However, it insisted that assistance could only be provided to Ukrainian nationals, and that this would require a more effective programme to deport migrants who had no right to stay in Germany. There are ever-louder voices within the AfD that refugees (including Ukrainians) are generating too much social spending in the budget, thus leaving it short of funds for Germans in need. This opinion has found more and more supporters, especially as Germany now faces a new round of the migration crisis.\(^{29}\)

**Summary: how to maintain unity?**

The outbreak of the first full-scale armed conflict so close to Germany’s borders since 1945 has failed to consolidate German society. There are significant differences of opinion within Germany about the causes and consequences of the Russian invasion. Social friction has also increased. Several relief packages that were adopted during the most severe phase of the energy and inflation crisis; these have reduced the frustration felt by the German people and made them less averse to the transformation process. However, any future reduction of tensions, especially between the residents of the western and eastern Länder, will depend on what the social costs of the Zeitenwende prove to be,

---

\(^{27}\) The magazine’s issues discussing the war in Ukraine echo Russian propaganda, fuel anti-Americanism and relativise history. See for example the following covers: COMPACT-Spezial 33: Feindbild Russland. Die NATO marschiert, COMPACT-Spezial 36: USA gegen Deutschland. Der hundertjährige Krieg, COMPACT-Geschichte 17: Polens verschwiegene Schuld.

\(^{28}\) ‘Bundestagswahl 2021: Wer wähle die AfD – und warum?’, ARD, 26 September 2021, tagesschau.de.

\(^{29}\) ‘René Springer: Mehr als eine halbe Million Ukraine-Flüchtlinge in Hartz IV – Verteilungskonflikte sind vorprogrammiert’, AfD, 1 September 2022, afdbundestag.de. 244,000 asylum applications were filed in Germany in 2022, 47% more than the previous year. The situation worsened even further in the following months: 80,978 applications were registered between January and April 2023, an increase of 80% compared to the same period of the previous year.
especially in the field of energy. The clear split in the approach to the reform process has triggered a discussion about what role the eastern federal states can play in it. One of the most important threads of this debate concerns the question of what western Germany can learn from the east. This primarily involves the issues of responding to ‘change’ and implementing often profound and socially difficult transformation processes; the people who used to live in the former GDR have had extensive experience in these areas.

All these fears and divisions will mainly benefit the AfD, which is capable of exploiting the lack of unity within Germany and the fear of the new like no other party. It has been particularly effective in the eastern federal states, where it is seen as a mass-scale party that represents voters of all social groups and ages. In all the eastern Länder it either leads the polls or forms the largest opposition force. Its likely success in the 2024 elections to the parliaments of Brandenburg, Saxony and Thuringia will give it a boost ahead of the elections to the Bundestag in 2025.

Dealing with the implications of the war and fleshing out the transition process will be the focus of the upcoming campaign for the Bundestag elections. Germany is also involved in a growing debate about the redistribution of wealth, a discussion which will further intensify if the economic downturn continues. The calls for increased defence spending, the increasingly costly support for Ukraine and the funding for the new energy policy will amplify fringe voices in the debate. However, the central themes of the 2025 election campaign will be the direction and pace of changes in environmental policy and the vision of Germany as an immigrant state. Indeed, the shortage of workers poses one of the greatest threats to the implementation of the Zeitenwende. If it does not attract additional labour, Germany will be unable to carry out its energy transition or transform its economic model at the pace envisaged. The other major problem is the shaky public support for the transformation process that was initiated in February 2022. Convincing the majority of the public that the implementation of these ‘epochal changes’ is necessary while avoiding a deepening of divisions will be the most important task for future German governments.
APPENDIX

The Zeitenwende in practice. Refugees from Ukraine in Germany

1,060,000 arrivals from Ukraine had been registered in Germany by mid-2023. More than 200,000 Ukrainian children are studying in German schools. In reality, there are probably fewer than one million Ukrainians in Germany at present, but the failure to register those leaving Germany (passing through to other countries or returning home) makes it difficult to precisely estimate the number of refugees and draw concrete conclusions. According to the Central Register of Foreigners (AZR), about 349,000 Ukrainian children and young people under the age of 18 are currently living in Germany, including about 133,000 aged between 6 and 11 and about 127,000 aged between 12 and 17.

The biggest challenge related to hosting the refugees concerns their accommodation. Many remain in asylum seeker centres for extended periods of time, due to the insufficient number of properties allocated exclusively to refugees, as well as the difficult general situation on the housing market in major cities. The education system is another problem. German schools constantly have to deal with very large numbers of pupils and have long faced shortages of teachers; the quality of education also suffers from insufficient investment. The welcoming (integration) classes, which roughly a third of Ukrainian students have attended, have also come under increasing criticism. They are often not integrated into the curriculum, which leads to the stigmatisation of the refugee children and the underperformance of pupils with migrant backgrounds.

The German experiences and the lessons learned from the migration crisis of 2015–16 have translated into the actions taken by the government with regard to the refugees from Ukraine. In addition to spontaneous social solidarity, cooperation between local governments and the Länder was also instrumental in dealing with the problems that arose eight years ago. After 2016, a great deal of effort has been put into changing procedures and improving communication at the level of the local governments, which are responsible for a large part of the refugee policy. Most notably, the Office for Migration and Refugees (BAMF) has been strengthened, receiving a threefold increase in its staff (to around 8100) and budget (from €250 million in 2015 to around €760 million in 2022). In addition, federal funds are used to partly finance social assistance

---

30 See K. Frymark, ‘Obowiązek szkolny ukraińskich dzieci w Niemczech’, OSW, 8 September 2022, osw.waw.pl.
and integration courses for asylum seekers. The Länder also receive a targeted subsidy for accommodating refugees. In 2021, a total of around €12 billion was spent from the federal budget for these purposes.

As a consequence of the two overlapping crises (the refugees from Ukraine and the asylum seekers from other areas) the burden on local governments has been growing, resulting in social tensions. The challenges include ensuring places for arrivals (mainly those from the Middle East and Africa, as most of the Ukrainians live in private lodgings: according to a survey published in December 2022, 74% of them lived in rented flats and houses, 17% in hotels and guesthouses, and only 9% in refugee centres), devising methods of financing their stay, and facilitating their future integration and helping them enter the labour market. An appeal by local government officials from the Green Party, who called for curbs on illegal migration, demonstrates the scale of the problem. Once again, as in 2015, market halls have been rented (for example in Hanover) and local government buildings have been renovated to house new arrivals. It is noteworthy that tensions have grown particularly in those municipalities that have held debates on hosting the refugees. The differing procedures for Ukrainians and other asylum seekers have led to discussions about the informal existence of two classes of refugees. Some Left and Green politicians have sought to put the two groups on an equal footing by increasing social benefits and boosting their job opportunities.

The German government assumes that refugees from Ukraine will stay in the country for a longer period of time, or even permanently in the best-case scenario. For this reason, it has placed great emphasis on getting each refugee to participate in language and integration courses. The high qualifications of the Ukrainians (also when compared to the German population) are very well suited to the needs of the receptive German market. According to estimates by the Institute for Employment Research (IAB), the country will be short of 7 million workers by 2035, and the new arrivals could partly fill this gap. Whether this scenario becomes reality will primarily depend on their progress in learning the language, the reduction of bureaucratic obstacles to the recognition of their professional qualifications, and the provision of school education for their children. In Ukraine, relatively large numbers of women have worked in academic, technical and medical professions in fields where Germany faces significant staff shortages.
The phases of the refugee crisis

1. The preparatory phase. Germany expected an increased influx of Ukrainians due to the possible outbreak of war. Its interior ministry initially stated that Germany was focusing on offering possible assistance to the neighbouring countries, which would be the first in line to receive refugees. At the same time, as more asylum seekers were registered in 2021 (around 150,000) than in the previous year (around 100,000), some Länder reopened previously closed shelters for asylum seekers and opened new ones.

2. The humanitarian phase. The spontaneous coordination between officials at various levels and, above all, the immense amount of public support made it possible to take care of people who were crossing into Germany. This required the preparation of additional places, especially at transfer points such as those in Berlin (for example, refugee tents were set up once more at the former Tegel airport) and Hanover; the latter became a hub for aid to Ukrainian refugees in the north-west of Germany.

3. The transitional phase saw the beginning of efforts to integrate the new arrivals and make their livelihoods more sustainable. In a crucial step, in early March 2022 the EU introduced an executive decision which de facto equalised the rights of Ukrainians and Germans in terms of access to social services and employment as well as education.

4. The consolidation phase. This was the moment when the number of arrivals stabilised, and Germany was now better prepared to host them in terms of both organisation and finances, as appropriate subsidies from the federal budget had now been earmarked for this purpose.\(^{31}\) In early 2023, covering the costs of hosting refugees from Ukraine accounted for more than half of Germany’s assistance to that country.\(^{32}\)

5. The 2015–16 migration crisis also went through a relaxation phase, when the number of asylum seekers dropped rapidly while social tensions

\(^{31}\) Idem, ‘Dispute over funding refugees’ residence in Germany’, OSW, 11 May 2023, osw.waw.pl.

\(^{32}\) Idem, ‘German support for Ukraine: taking the communications initiative’, OSW, 18 January 2023, osw.waw.pl.
over migration policy escalated.\footnote{A. Kwiatkowska, Strangers like us. Germans in the search for a new identity, OSW, Warsaw 2019, osw.waw.pl.} This time, the relaxation phase has not followed, mainly due to the onset of another round of the migration crisis from areas other than Ukraine.

\textbf{KAMIL FYLMARK}