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SWP Comment

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Consolidating Germany's Russia Policy

Refine existing approaches and clarify trade-offs

Susan Stewart

The “*Zeitenwende*” in international politics implies a need to improve strategic thinking and better prepare for future challenges. Germany is already doing so by drafting strategic documents on national security and relations with China. With respect to Russia, a similar approach suggests itself. First, because Russia's aggression against Ukraine has significantly worsened the situation in Europe and beyond for the foreseeable future. Second, because the conception of a Russia policy based on the principles declared since 2022 offers an opportunity to correct previous mistakes and transform measures that have emerged from a crisis situation into long-term policy.

Since 24 February 2022, the German government has radically altered its attitude towards Russia. The decision to supply weapons to Ukraine has shown that Berlin has fundamentally revised its earlier assumptions about Russian goals and interests and about Germany's role in the security domain. Germany has maintained tough sanctions, halted most imports to and exports from Russia (especially of fossil fuels), and terminated numerous formats for political and societal dialogue with the Russian Federation. In doing so, the German leadership has demonstrated its ability to respond to momentous events in its environment with significant foreign policy shifts. In addition, there has been an important reordering of priorities: Berlin has committed itself to devoting substantially more resources to security and defence and has completely realigned its energy policy.

These measures were taken primarily in response to Russia's war of aggression against Ukraine, rather than emerging from a comprehensive strategic approach derived from an analysis of European and international developments. An important next step would therefore be to integrate the measures already adopted or implemented into a comprehensive Russia policy that 1) corrects previous false assumptions about Russia, 2) takes into account trade-offs across policy areas, 3) provides a medium- to long-term perspective, and 4) sends a signal both internally and externally that there will be no return to Germany's previous Russia policy.

In the following analysis, additional measures are proposed in various areas on the basis of existing approaches in an attempt to sketch the outlines of a comprehensive strategy. In the process, trade-offs may arise between the approaches



pursued since 2022 and certain interests of Germany and the European Union (EU). Even if a completely new approach to Russia has become the norm since February 2022, it will not be easy to maintain the policy currently being implemented in a dynamic international environment, especially since some economic and societal forces in Germany are averse to the shifts associated with the new Russia policy.

This analysis is based on two assumptions. First, Russia will remain an authoritarian or even totalitarian regime and pursue an aggressive foreign policy for the foreseeable future, regardless of whether Vladimir Putin succeeds in remaining in power. Entrenched patterns of thought and action at both the elite and societal levels in Russia make it extremely likely that prevailing political approaches and attitudes will persist. Second, Russia will not disintegrate into multiple states, as was the case with the USSR in 1991. There may be some attempts at secession, but they are unlikely to succeed, though they may cause additional instability or even chaos. If, contrary to expectations, new states do emerge, the approach outlined here would need to be adapted accordingly.

Security and defence: Affording deterrence

The full-fledged Russian attack on Ukraine has shown that Putin has lost his ability to realistically assess what Moscow can achieve. The Russian leadership seeks to attain its goals primarily by military means and is indifferent to civilian damage, war crimes, or human rights violations that occur during combat operations. Furthermore, large segments of the Russian elite see Russia as being involved in a war with the “collective West” and not only, or even mainly, with Ukraine.

Therefore, it cannot be ruled out that Russia will consider an armed attack on Western states if the Russian leadership considers conditions to be advantageous. Since the war in Ukraine has shown that

Russian forces are significantly weaker than previously believed, an imminent Russian attack is hardly likely. However, from a medium-term perspective, Western countries should prepare for such an eventuality. Russia is capable of inflicting enormous damage, even with poorly prepared and equipped forces. Moreover, the possibility of Moscow using tactical nuclear weapons should by no means be excluded.

Military deterrence must therefore be a key element of the security component of policy towards Russia. For Germany, this means building up the Bundeswehr to the point where it can (together with alliance partners) credibly defend the country if necessary. More than a year after the “Zeitenwende,” it has become clear that the additional resources pledged so far will not be sufficient to compensate for the omissions of past decades or to render Germany capable of defending itself adequately going forward. What is needed is a complex approach that includes the following: higher defence budgets than currently envisioned, a rapid overhaul of bureaucratic procedures, clear messages in support of increased production in the defence industry, and the institutionalisation of more effective mechanisms for strategic planning. Some of this has already been initiated by the Federal Ministry of Defence. These measures should be embedded into an overarching approach that incorporates both the forthcoming national security strategy and a clearly articulated policy towards Russia. This would ensure that the necessary resources are included in the federal budget. At the same time, it would require difficult discussions about which areas outside the security and defence sector should have their funding reduced in order to guarantee that this sector is sufficiently financed. Another option would be to pay for a rise in security spending through tax increases.

The reform of the Bundeswehr is taking place within the framework of European and transatlantic security policy. Berlin is already very involved in securing the eastern flank of NATO territory, especially

in Lithuania, where Germany acts as a framework nation in providing NATO support to the country. It will be important to supplement a sustained presence in Lithuania with the necessary resources for the combat-ready division promised to NATO in order to make a flexible and credible contribution to deterrence in the medium term. Given that France is the major military power in the EU and the only EU member to possess its own nuclear weapons, it will be important to work on repairing the rifts in Franco-German security relations. A greater role for Germany in maintaining security in the Black Sea region should also be envisaged, whether in the context of an expanded NATO presence or by examining the possibilities for – and, where appropriate, supporting – an expansion of infrastructure along the Danube for security purposes. Given the dimension and scope of the hybrid threats emanating from Russia, it will also be necessary to provide the intelligence services with further resources and to take their findings seriously.

NATO seems positioned to remain the most important security framework in Europe and the transatlantic area for the time being. Continued close military cooperation with the United States and the United Kingdom is therefore essential. However, given the uncertainties surrounding political developments in the United States, priority should be given to ensuring greater European autonomy in the security realm. Russia's war against Ukraine should be a wake-up call for Germany and the EU to significantly reduce the extent of European free-riding on US security guarantees. So far, the EU and its member states have remained too inclined to let the United States take the lead in the security sector.

Finally, efficient, effective, and comprehensive military support to Ukraine must be maintained and, if possible, intensified. After a very slow start in 2022, the pace of arms deliveries and the types of weapons delivered have undergone a positive change in recent months. Ideally, Germany and the EU should now move from a reactive to a proactive form of support that will enable

Ukraine to conduct successful offensives and thereby more quickly reach a point where Kyiv considers itself in a sufficiently strong position to negotiate.

It will also be necessary to prepare for the possible consequences of a Ukrainian victory. Russia could thereby enter a period of internal instability and political and economic chaos. While this is a disturbing prospect, it may be the price to be paid for entering a new phase in which respect for a rules-based order can prevail, both in Europe and beyond. A situation in which Russia perceives itself as victorious, and therefore motivated to continue its current foreign and domestic policy behaviour, would cement the “rule of the strongest” and thus destroy those principles that Germany and the EU stand for – principles that are enshrined not only in numerous European documents but also in the United Nations Charter.

The economic sphere: Decoupling and realignment

The recently adopted course of economic decoupling from Russia should be continued for the foreseeable future. This is not only due to existing sanctions, but also because supporting the Russian economy means bolstering a regime that is not only waging an unprovoked, brutal war against its neighbour but furthermore regards Germany and the EU as enemies and has attempted for years to undermine the foundations of their peaceful, democratic, and rules-based order. The Russian regime's actions have shown that the concept of rapprochement through interdependence (*Annäherung durch Verflechtung*) was misguided. Rather, corruption has been imported from Russia to Germany, making it necessary to strengthen anti-money laundering mechanisms and create more transparency regarding assets and beneficial ownership structures.

Appropriate steps would therefore include incentives for the remaining German companies to withdraw from Russia, the

gradual reduction of those exports and imports still in place, cutting ties with Russian banks, and realigning planned projects to circumvent Russia. At the European level, it is essential for Germany to demonstrate a high level of economic solidarity with other EU member states through earlier and better communication in order to strengthen the EU's economic resilience and capacity within the common market. This will help consolidate EU unity in dealing with Russia (as well as China). At the same time, the impact of this decoupling strategy on the global economy should be continuously monitored and its consequences taken into account. Russia's increasing economic isolation will promote the ongoing formation of two blocs – the West on the one hand, and a group centred around China and Russia on the other. The consolidation of such blocs will lead to additional economic and political problems for Germany and the EU.

Nonetheless, sanctions must remain an important component of Russia policy. The sanctions imposed have already gone quite far. They aim to isolate Russia economically and target those actors responsible for the invasion and for war crimes, as well as those who assisted Russia in violating Ukraine's territorial integrity prior to the February 2022 attack. Previous sanctions have, in fact, diminished Russia's military effectiveness in Ukraine. It will be vital to maintain sanctions to ensure their full effectiveness, and to be ready and able to impose further measures, depending on developments. German economic actors must therefore be prepared for long-term sanctions. It appears equally important to devote significantly more resources to discovering when sanctions are being circumvented and putting a stop to such behaviour as quickly as possible, as well as punishing those involved if their actions were deliberate. The Federal Ministry for Economic Affairs and Climate Action is already developing appropriate measures in this area, which can be combined with the efforts of EU Sanctions Envoy David O'Sullivan to achieve greater impact. Last but not least, the German population

should be made aware of the necessity of sanctions as well as of their current and anticipated effects. It would be unrealistic to expect sanctions to change Vladimir Putin's behaviour in a positive manner or to trigger significant mass protests against the Kremlin. They are nevertheless necessary as a response to the heinous crimes of the Russian regime and as a signal to Russian citizens from an influential part of the international community highlighting the perfidy of Russia's actions.

Energy: Independence from Russia and diversification

Since the debate both inside and outside of Germany in recent years has focused so strongly on the Nord Stream pipeline, this topic should be the starting point for a discussion about future energy policy as it relates to Russia. It is important to make clear that both Nord Stream 1 and 2 were the result of a mistaken policy, based on false assumptions about Russian intentions and a failure to take the interests of neighbours and allies into account. Berlin's goal now is to completely decouple from Russia and shift to other energy suppliers, while continuing to accelerate the transition to renewable energy sources. Germany took extraordinary steps in this direction last year, but not without negative consequences for environmental and climate policy. Precisely because the rapid diversification of energy suppliers entails environmental costs, it remains important to return to the more environmentally friendly course already envisaged as soon as the situation permits.

The Nord Stream project, together with other German actions in the energy sphere, has contributed to an external perception of Germany as a country that ignores the energy interests of its EU partners as well as those of other states. Disengagement from Russia should therefore be accompanied by a clear commitment to a more accentuated multilateral approach to energy issues. This commitment could be given credibility

through the establishment of a platform via which Berlin discusses energy policy plans and their possible consequences with other EU member states as well as accession candidates. Germany has a good chance of regaining the trust of its neighbours in energy matters, as it has already taken decisive steps to become independent of Russian energy supplies and to increase the production of renewable energy. The EU's embargoes on coal, oil, and oil products from Russia, which have now come into force, are also helping to ensure that Germany and other EU member states renounce their dependence on Russian energy sources.

As in the economic sphere, it will be crucial to inform the population about the logic behind the measures implemented in the energy domain. The message that it may be necessary – at least for higher-income households – to make financial sacrifices to ensure Europe's energy security in the long term, should be communicated more forcefully. According to polls, in late summer 2022, a majority of German citizens supported sanctions against Russia and were willing to accept hardships to maintain them. However, this willingness seems to be waning over time, since 48 per cent of those surveyed have come to doubt the effectiveness of the sanctions.

The need to switch to other natural gas and oil suppliers highlights the importance of protecting critical infrastructure. Evidence that unidentified drones have flown over the processing plant where natural gas is exported from Norway to Germany should serve as a warning and prompt increased surveillance of such infrastructure more generally: It faces threats both in physical terms and from cyber attacks. The Russian destruction of key energy infrastructure objects in Ukraine demonstrates that the Kremlin has such targets on its radar and could therefore attack them in other countries as well. The Federal Ministry of the Interior established a Joint Coordination Unit for Critical Infrastructure in October 2022 and is pushing ahead with work on the KRITIS umbrella law, which is intended to increase Germany's resilience

in this area. The fact that the G7 countries pledged to pay more attention to protecting submarine cables at a meeting of digital ministers in April is also an encouraging signal in this regard.

Politics and law: Less dialogue, more accountability

The major change at the political level consists of a drastic reduction in the number and extent of contacts. This not only follows from the discontinuation of cooperation in most areas, but also represents a conclusion based on experiences from previous years that, in certain cases, dialogue is of no help and can even be counterproductive. If the other side is not interested in a better understanding of Germany's position, but instead intends to continue hammering home its own stance, dialogue cannot produce the desired results. Ultimately, it strengthens Russia's status by providing legitimate platforms for its representatives to express their views. A dialogue, whether at higher or lower levels, should therefore only take place if Germany has a clear interest in a certain outcome and the expectation seems realistic that this outcome can be achieved through dialogue – supplemented by other relevant instruments. Thus, a more functional approach seems appropriate, allowing talks on a case-by-case basis if they are considered important for progress in a particular area. Trust in the Russian side has been destroyed to such an extent that only very concrete, short-term agreements seem possible. And even then, contingency plans would need to be made in case Moscow failed to adhere to its side of the bargain.

It would also be advisable to avoid so-called *mirror-imaging* in future situations of political dialogue, that is, the assumption that Russian interlocutors are pursuing similar goals and are subject to the same type of rationality as their German counterparts. Even if Russia's aggression against Ukraine has made the divergent rationalities abundantly clear, it may be worth in-

volving regional experts more frequently and intensively than in the past when it comes to assessing the intentions of Russian actors.

On the legal side, several avenues are being pursued simultaneously to hold Russia accountable, both financially and morally, for its actions in Ukraine. Efforts to access seized Russian assets should continue and be further intensified. Although there are understandable legal concerns about the idea of having recourse to the €300 billion the Russian Central Bank appears to hold in reserves abroad, there are strong arguments to be made that this particular case constitutes an exception rather than a precedent. It is equally important to continue supporting Ukraine in every way possible in its efforts to bring the perpetrators of war crimes (including Vladimir Putin) to court. Whether this is best done through the creation of a hybrid or international special tribunal is a matter of debate among legal scholars. The arrest warrant for Putin issued by the International Criminal Court in The Hague demonstrates that it is possible to charge the Russian president with crimes other than aggression. In any case, the war against Ukraine provides an opportunity to strengthen certain elements of international law. This can be done in part within a national framework, as already suggested by the Federal Ministry of Justice. For other aspects, however, a much more intensive dialogue is needed with numerous states of the Global South, which have not only different interests but often a different view of the goals and scope of international law.

Society: Communication and combating disinformation

Inter-societal relations have been an important component of the German-Russian relationship for decades. Russia's full-scale invasion of Ukraine has only made it more difficult to maintain cooperation in an area that had become increasingly problematic over the past 15 years due to intensifying

state crackdowns on certain segments of Russian civil society. Moscow has now classified a number of German organisations as "undesirable" and imposed restrictions on them. One prominent example illustrating the challenge of sustaining relations at the civil society level is the dissolution of the Petersburg Dialogue, a format launched in 2001 by then Chancellor Gerhard Schröder and Vladimir Putin. Although it was never exclusively a civil society dialogue, due in particular to Moscow's control over the choice of participants from Russia, it nonetheless had elements of such a dialogue.

At present, it is difficult to do much more than encourage those actors who still have ties to civil society to preserve them to the extent possible. On the political level, there need to be continual attempts to convey more information about actual developments and German/Western positions to Russian society. This can be done both directly, through the use of (social) media, as well as via the Russian diaspora, as many opposition leaders and media outlets have now relocated to the EU. In addition, support should be given to those members of the diaspora who are trying to promote Russia's transformation into a democratic, rules-based state from the outside, while acknowledging that sustainable regime change can only take place within Russia. In this context, the ongoing adaptation of the programme "Expanding Cooperation with Civil Society in the Eastern Partnership Countries and Russia" (ÖPR), managed by the Federal Foreign Office, will play an important role.

With regard to Russian society, it appears appropriate to differentiate between people with various attitudes and types of conduct rather than adopt a collective guilt approach that condemns all Russian citizens equally. At some point, Russian society will need to go through a phase in which it collectively acknowledges its share of guilt and the criminal nature of its regime — similar in some ways to the experience of Germany after the Second World War. Without such recognition by broad strata of Russian society, it is difficult to see how a

major change in regime type could occur, and even more importantly be sustained. This process will need to be accompanied by an honest reappraisal of previous periods of Soviet and Russian imperial history, as has long been demanded and supported by the international human rights association “Memorial”.

Last but not least, the implications of the current situation for German society should also be considered. First, it is crucial for the German government to inform its citizens about its assessment of the Kremlin’s foreign policy behaviour and of developments in Russia. Equally important would be to provide justifications for German policy decisions that respond to these developments. Second, the issue of disinformation must remain on the agenda. Segments of German society continue to buy into Russian propaganda. It is thus necessary to point out more clearly and through multiple channels the danger this poses. Even more important is to continuously improve the level of knowledge about Ukraine and Russia in German society and to promote the development of critical thinking skills at all levels of the education system.

Trade-offs and advantages of a comprehensive approach

The above analysis suggests that a new European security order must be created without Russia. In doing so, one should not abandon the idea that Russia can eventually transform itself into a democracy with functioning rule-of-law institutions. But such a process will take decades, possibly even generations, and it will not be linear. Policy-makers will thus need to focus for the foreseeable future on how to provide protection from Russia and ensure the security of Europe (including Ukraine). This will require a redirection of financial and human resources in favour of security and defence measures, at both the national and European levels.

The decoupling currently taking place in the economic and energy domains will

accelerate the rapidly developing Sino-Russian cooperation in these areas as well as others. The Russia policy outlined above, which is already a reality in many aspects, will thus foster the emergence of a new bloc constellation, with the EU, the United Kingdom, and North America on one side, and Russia and China on the other. This bipolar construct can be rendered more nuanced and complex through intensified communication and cooperation with various actors in the Global South. However, because of the resentment towards the West that has accumulated in many countries over decades, or even centuries, this will be a slow and difficult process. Since there is no “one size fits all” method, it will be necessary to tailor approaches to specific key states of the Global South and gradually build trust.

Finally, the approach outlined here contains many components with which significant segments of the German population will disagree. Some will reject Germany’s rearmament, including the continued supply of weapons and military equipment to Ukraine. Others will be unwilling to sacrifice some of their prosperity as the price of greater security. Still others will take offence at policies that preclude most forms of interaction with Moscow. It will therefore be necessary to spend more time and energy explaining the reasons for this policy and convincing more and more citizens that it is commensurate with developments. This includes coming to terms with certain mistakes that were made in the past in relations with Russia and making clear to the population why some of the basic assumptions of the previous German approach were misguided.

Turning the page by officially formulating a new Russia policy can help Berlin to correct previous errors and make a greater contribution to EU (and NATO) security policy. It will be important to consult more comprehensively and seriously with relevant EU partners about Germany’s approach to economic and energy issues than in the past. Berlin should also give Poland and the Baltic states their due. Their representatives

have tended to assess Russia's goals and intentions correctly in recent years, so their positions should be taken more adequately into account going forward.

An appropriate policy vis-à-vis Russia will help lay the foundation for a shift towards the type of rules-based and values-oriented global environment that Germany and the EU are already advocating. In particular, agreement on a Russia policy that cements and refines current approaches will allow Berlin to focus its strategic, long-term attention more effectively on Ukraine and other countries to the east of the EU, which German policy has too long neglected in favour of Moscow.

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