Twenty years ago, a miracle happened. After the fall of the Wall in November 1989, Germany was united within 329 days, without a single shot fired. All our neighbors and partners agreed, and Germany remained a member of the EU, and of Nato. The Warsaw Pact was subsequently dissolved, the Soviet Army withdrew from the GDR and other countries in central Europe, intermediate-range nuclear weapons (INF) were eliminated, and a START and a CFE agreement concluded. In short, the Cold War was over, Germany united, Europe transformed, and the world changed. Truly: a diplomatic and historic miracle.

Today, twenty years later, this Trilateral meeting offers a good opportunity to reflect about what still needs to be accomplished.

Where is Germany heading? Does Germany have a “mission statement” regarding its current and future role in Europe and beyond, and what exactly are the objectives? Have we fulfilled the promise of 1990 – in the words of Helmut Kohl – “to serve peace in the world and advance the unification of Europe”? Have we heeded the warning spelled out by Federal President Richard von Weizsäcker, also on 3 October 1990 that “the Western border of the Soviet Union must not become the Eastern border of Europe”?

Let me discuss Germany and the EU crisis of 2010 first, and then conclude with some remarks about the unfinished business of unifying Europe as a whole.

I.

Germany and the Euro crisis of 2010

Charles Grant, a leading British authority on the EU, recently wrote “In Brussels, Paris, Washington and other capitals, one increasingly hears the same complaint: Germany is acting unilaterally. On a broad range of issues, the Germans seem to think the European Union no longer advances their interests and are more prone to go their own way.”
Charles Kupchan of Georgetown University adds: “The erosion of support for a unified Europe is infecting even Germany, whose obsession with banishing the national rivalries once made it the engine of integration. Berlin’s recent reluctance to rescue Greece during its financial tailspin - …breached the spirit of common welfare that is the hallmark of a collective Europe” and he goes on, “Germany’s pursuit of its national interest is crowding out its enthusiasm for the EU.

A German analyst, Ulrike Guérot, went even further: She said “Twenty years after the Berlin wall’s collapse there is a German problem. Germany has become self-centered. Germany no longer wants to lead the European Union in the way it did in the past.” And former foreign minister Joschka Fischer added, “The motto was simple: Germany gives and profits in turn. Should Germany spurn the first part of this formula, the European project would suffer serious damage – and so will German national interests. Yet this is the direction in which Chancellor Merkel seems to be heading.” Wow! Really? Is it that bad?

Taken together, these voices of criticism accuse Germany of two crimes simultaneously: of leading to much, of imposing its views on others, and of not leading enough, of delaying decisions, of dragging its feet on EU integration issues. Germany alone against 26? Is that the new reality?

Let me explain why I believe that most of this criticism has little to do with reality, and is therefore not justified.

**Some facts and figures**

Let’s look at a few facts. Maybe that helps.

**First:** Contrary to what you may be expecting, Germans continue to be among the most pro-European Europeans, as indicated by recent polling data: 60% of Germans believe that EU membership is a good thing for Germany, as compared to 53% of all Europeans. 57% of Germans believe that their country has benefited from EU membership. This is close to the EU average - and that is, of course remarkable when one considers that Germans believe that they pay a lot more into the EU than they get from the EU.

In response to the question of where the economic crisis should be solved, at the national or at the EU level, a majority in favor of more European solutions exists only in Germany, whereas France, Italy, Spain, and the UK clearly prefer national solutions.

There is thus not a shred of evidence that the Germans have become fundamentally more Euro-sceptic or Euro-hostile than other Europeans. The point is that Germans saw the Greek crisis as a Greek crisis, not as a European one. They were against “paying for Greece”, not against more European integration in general. Asked if they were ready to spend more for European projects and less for national projects, a majority of people in France (76%), Spain (72%), Italy (77%) and Germany (61%) were in favor of more Europe. Only a British majority of 55% is against more Europe, and that will surprise no one.

**Second:** a brief update on current economic and political data:

Germany is in full recovery mode. Our growth rate will be around 3.5%, the highest since unification in 1990, and it will not be much lower in 2011. Unemployment is predicted to remain below 3 million, the lowest figure in a decade. Exports for the first half of 2010 are up
more than 10%. Economic optimism is rising. Good news all over. We seem to be doing something right, after all.

Polling data regarding the popularity of the current government offer, however, a much less optimistic picture: If elections were held in Germany this coming Sunday, the current coalition would probably have no chance of surviving. A year after the 2009 elections, the government’s track record is generally perceived as very poor. Both the CDU and FDP are at an all time low, while the opposition Green party has become stronger and stronger, moving from a 10% party to a party with a 20% potential. In a nutshell: without the very positive economic outlook, the current government would be in deep crisis mode. It is the economy, and only the economy, which is currently keeping the Merkel - Westerwelle government afloat. And this is also one important reason why rational and effective EU fiscal and economic policies, in particular regarding the Euro, the Stability Pact, and the resolution of the Euro crisis matter so much in Germany. Remember Bush father:” it’s the economy, stupid!”

Germany, the reluctant EU leader

Germany finds itself today in a leadership position in the EU which it has not sought, and which it is somewhat reluctant to fill. Germany has not been very comfortable in this – new – role of the reluctant leader. Part of today’s misunderstanding may have been caused by Germany’s success in building an image of selflessness in the past. In reality, of course, Germany has been as single minded in the pursuit of its goals as Charles de Gaulle ever was for his, but Germany almost always left leadership to others, most recently last May when President Sarkozy was allowed to declare a 95% victory for France, while in reality Chancellor Merkel got almost everything she wanted - without, of course, ever saying so herself.

Sometimes, this German subtlety is not understood well enough, even by some members of her own cabinet. A good example was when a senior cabinet member recently said “Germany will now defend her national interest like a normal country, like France, the UK, and Italy”, raising eyebrows in Brussels, and causing concern around the EU.

This bizarre statement happens to be wrong for two reasons: First, it ignores German leadership responsibility. Germany cannot not define herself as a “normal” country, simply because she happens to be the country with the largest population and the biggest economy in the EU. In one word: Size matters! Germany carries a special responsibility in the EU because of her weight and central role. And Germany should and will accept this responsibility, even if this will at times be a bit awkward.

But the statement is wrong for a second reason also. Germany will now defend her national interest? Are we to believe that Germany has not done that in the past? What, if not the German interest, was the objective of the policies of every chancellor, from Konrad Adenauer to Angela Merkel? Let us not kid ourselves. There may be – and there will be – differences in style and approach. But the pursuit of the national interest has always been at the core of our foreign and EU policy. Fortunately, successive German governments have been able to declare frequently that the German interest happened to coincide with the interest of Europe as a whole. And this will continue to happen in the future, in many areas of EU policy.
Germany and the EU – toward a “new normal”?

Berlin’s handling of the EU crisis raised many questions. Within a few months, the German government lost a great deal of sympathy and support across Europe. The growing perception in the media about Germany “going anti-European” was probably the result of an insufficient communication policy. The German political establishment was in many ways unable to convey its policy choices to the outside world. Irreconcilable perceptions opposed each other. A majority in Germany held that they were the ones actually defending the EU and common currency by insisting on the rules of the Stability and Growth Pact. In other EU countries there was, of course, rising concern that Germany’s resistance to helping the Greeks and others was only playing into the hands of speculators, and worsening the situation.

True: enlargement fatigue and EU fatigue require a much bigger effort today, not only in Germany, to obtain voter support for EU projects. And true: the old Franco-German way of providing leadership in the EU has become, for a number of reasons, a much less effective instrument of EU governance.

Did the German government react strongly and early enough to confront a vicious media campaign against Greece? Maybe not. Did the government allow a mood to settle in which suggested the country had fallen victim to a conspiracy of Club Med countries? Probably yes. Has Chancellor Merkel provided enough “vision” on the future of the EU? Have we done enough to counter the trend toward assessing the EU as a cost factor rather than as a historic opportunity to unite the continent? Maybe not.

Clearly, mistakes were made everywhere, including in Berlin. The key point, however, is that almost everybody in Germany understands that European integration has been the basis of our postwar success story, including our national unification in 1990. Most Germans also understand that our export-based economy benefits greatly from the Euro, and they see that the Euro’s significance is not limited to economic interests. The German willingness to share part of its sovereignty in EMU has impressed our partners, and Germans know that building on this is crucial for Germany’s future. “We are a community of destiny”, Wolfgang Schäuble said, “If Europe is doing well, Germany profits more from that than anybody else. Therefore we promote our interests best by feeling co-responsible for the others. The condition for this is the acceptance of the stability rules by everybody.”

This is the core of the matter. Germans believed that our rules-based system, in particular the Stability Pact, would work because everybody would want to be respectable and would therefore play by the rules. Actually, Germany played by the rules, but some of the others did not. This is why Berlin now insists on more and better supervision, greater transparency, and better enforcement, including sanctions. As a German, one is tempted to say;” Don’t blame us – blame those who broke the rules”.

The truth is that the German reluctance regarding a bailout had more to do with the German fear of the Constitutional Court in Karlsruhe than with an end of the German love affair with Europe.

The Lisbon ruling of the court of 2009 has deeply affected German EU policy, because Berlin fears that its decisions might be successfully challenged by German Eurosceptics in Karlsruhe. This is why the German government argued so strongly that any rescue packages needed to be defined as an “ultima ratio”. One may regret the Karlsruhe decision – but the fact is that the Court enjoys enormous legitimacy in Germany. Let me put it bluntly:
British EU policy has been handicapped by fundamental Tory objections to the very idea of integration. German EU policy may now be somewhat handicapped by a constitutional court which has decided to narrow the room of manoeuvre for Berlin as far as further integration steps of the European Union are concerned. One may hope that the Court will review and redefine its approach in the future – but it makes no sense to complain about or to oppose its decisions. They will have to be respected. It is as simple as that.

One final word about Germany’s commitment to the EU and to the idea of further European integration. I would like to urge all of you to measure others with the same stick which you apply to Germany as you look at the recent crisis. Germany gave the German Mark to the EU, and Germany has not vetoed or refused to ratify any of the EU treaties of the last five decades, including Maastricht, and Lisbon. Germany even voted in favor of the Constitution which failed elsewhere in the EU. We voted in favor each time even though we knew that the relative weight of the German voter would always be much, much smaller than that of the Danish or Dutch voter, for example. We continue to be, without complaining a lot about it, by far the biggest net contributor. We have never said we want our money back. We are the only EU country I know of which entertains a lively debate whether we should in future promote a seat in the UN Security Council for the EU, instead of national seats. Such ideas are not likely to generate enthusiasm in London or Paris, but they are demonstrations of our continued commitment to making the EU work better in the future. I hope very much that additional opportunities for moving forward will be courageously seized by Berlin, and by others, in the areas of EU defence policy and EU energy policy, including foreign energy policy. The Germans have been pretty good Europeans, I would say. And the decisions of May, 2010, as difficult as they were especially for Germany, will be seen, I am sure, as the right decisions for the EU, and the Eurozone to survive, including our demand to include the IMF in the supervision and oversight of the rescue package.

Germany’s role in the Euro crisis? I am reminded of Mark Twain’s comment after listening to some music by Richard Wagner: “This music is not as bad as it sounds”.

Now, a few words about Germany’s role beyond the EU.

II.

Germany and the unfinished Business of Unifying Europe

For the better part of the last decade, we have defended a European order which has become largely dysfunctional. Our existing institutions and structures were unable to prevent the Russia-Georgia conflict in 2008, offer a solution to the instability in Kyrgyzstan, or resolve simmering disputes in the Caucasus and the Balkans, including the Kosovo problem. In short, the status quo in Europe is not satisfactory. It risks to develop into a source of instability instead of providing sustained stability.

The unification of Germany became the model for the unification of Europe: no new institutions. While this worked very well indeed in the case of Germany, this approach has turned out to be somewhat less successful in the case of the European order. Sure: superficially examined, enlargement of Western institutions has been a great success story: the EU of 27, NATO of 28, with Germany smack in the middle: a dream come true?

Since 1989, a total of 15 new states have emerged out of the former Soviet Union, seven from former Yugoslavia, while Czechoslovakia split in two. Many of these states continue to
be subject to crises and instability, ethnic strife, frozen territorial conflicts, economic hardship, and fear of foreign intervention. A number of these and other “in between” states – from Belarus to Ukraine to Turkey – have not yet really found a firm anchoring spot in the European order.

But the central issue is, of course, Russia. If Russia would feel comfortable with the European order, the rest of the puzzle would most likely fall into place.

The problem is that Russia never accepted a European order centered on NATO and the EU. Yes, Russia tolerated the expansion of the West. But this came to an end a decade ago when the West ignored Russian opposition and intervened in Kosovo in 1999. And the OSCE never became popular in Moscow and could therefore not fill the vacuum. This is the key reason why the business of unifying Europe is not finished – yet

The European Security Order – building a new relationship with Russia

From a German point of view, there is today a window of opportunity for a new arrangement with Russia, so that – and I repeat the Weizsäcker appeal of 1990 –“ the Western border of Russia does not become the Eastern border of Europe “?

Why? Let me give you 4 reasons:

- **First**, the conditions and perceptions of security in Europe have significantly changed since the 1990s, and quite dramatically over the last few years. Today, none of the EU’s 27 members fears military attack. This is today even true for those European countries closest to Russia, such as Poland, and the Baltic states. A Baltic prime minister recently remarked that his country has never been as safe, and as free of the fear of foreign intervention, as today. The one exception to this is probably Georgia. The vacuum left by the absence of the fear of war has been filled with post-modern concerns: defending a certain way of life, climate, energy, immigration, environment. European elites have changed the way they think about security.

  Actually, this change amounts to a major paradigm shift: whereas in the past, Europeans feared powerful neighbors who might invade them, they are more afraid today of weak or failing countries and neighbors, and of possible resulting threats to their prosperity, or to their way of life. More precisely: we worry today a lot less about the military balance than about the collapse of our banks, or of those of our neighbors. This is why it is right for the EU to continue the enlargement process, in particular with regard to the countries of the Western Balkans.

- **Second**, for the first time in hundreds of years, Europe and its security issues is neither the central problem nor the central solution in the global order. European security has become a regional rather than a global problem.

- **Third**, there is a growing awareness, both in Europe, and in Russia, that, in demographic and economic terms, our relative weight in the world will tend to decline in coming decades, as new emerging powers such as China, India, and Brazil, begin to occupy the front row. Accepting and managing interdependence thus becomes a key to the establishment of a functioning European order. This is particularly challenging in the case of asymmetrical interdependence – as between the EU and Russia in the
field of energy, where the EU’s need for energy allows Russia to exert significant pressure, even though the EU is by far the major economic power on the continent.

- *Fourth*, the Medvedev proposal for a new European Security Treaty – despite a number of legitimate concerns about it raised by Western commentators – importantly defines Russia as part of Europe. Russia wants to be part of us – is that not what we wanted all along? This is why, in my view, we should not squander the opportunity provided by President Medvedev’s proposal which reflects a genuine change in the way Russia defines its foreign policy interests and its acknowledged need to work with the EU.

The fundamental point is that we need to demilitarize our relationship with Russia, replace fear and frustration with mutual trust, and begin to flesh out a vision of a future European order focused on managing interdependence, and a little less obsessed with classic military threat perceptions.

Some in Berlin – I should say many in Berlin - feel that if Germany does not assume intellectual and political leadership regarding our future relationship with Russia, no one will. The Americans have their hands full with some other priority concerns, and none of the other Europeans come even close to having the same intense economic and business relationship with Moscow.

Against this background, what practical steps might be considered to move us in the right direction? Here are a few German ideas.

At the NATO Summit in Lisbon in November, the relationship with Russia will be the central issue, more important even than nuclear weapons, arms control, the Art.5-debate, or the mission in Afghanistan. If President Medvedev declines the invitation to join the Summit, it is hard to see how this summit could be declared a historic success. Can NATO members agree on how to deal with Russia, and finally stop defense planning exercises against Russia, after having agreed that Russia is no longer an adversary? Yes or no? In short, can NATO and Russia agree on a new relationship of trust? That is going to be the litmus test.

Should Russia be offered membership in NATO, as Volker Rühe and others have suggested? This is not a new question at all; it was first discussed in the early 1990s, during the first Clinton administration. The emerging view in Berlin is that if Russia meets all the criteria for membership, it should be up to Russia, in due course, to file an application. The NATO door should be open not just to Georgia and Ukraine, and NATO should say so explicitly in November in Lisbon. Please note that after years of treating NATO as a “no-no” word, Russians have recently expressed renewed and growing interest in NATO – which is good. Good Russian strategic planning would actually conclude that Russia might need NATO sooner, and more, than NATO will need Russia. But let us be realistic: Russia is not going to be a NATO member any time soon. We are discussing principles, not concrete timetables. But this discussion leads in the right direction.

At the very least, the NATO-Russia Council should be upgraded, from Economy to First Class, so to speak. In the words of the Heads of State and Government of 28 May 2002, on the occasion of the second NATO enlargement round: “The NRC will provide a mechanism for consultation, consensus-building, cooperation, joint decision, and joint action for the member states of NATO and Russia on a wide spectrum of security issues in the Euro-
Atlantic region”. If this promise of 2002 will finally be translated into practical reality in Brussels, a step, which is long overdue, will have been taken.

One game-changing example of joint decision and joint action between NATO and Russia would be joint ballistic missile defense. NATO decided to embark on a ballistic missile defense program just two days ago, and Germany insists that this program be developed jointly with Russia. The obstacles will be enormous, in the US as well as in Russia, but this – in our view – is really worth trying.

The German mission statement

To conclude: German political elites have not forgotten the mission statement pronounced twenty years ago, by Helmut Kohl: “Our Country dedicates itself to serve peace in the world and to promote European integration. This is the mission of the Grundgesetz which remains valid for the united Germany.”

Two weeks ago, on 3 October 2010, exactly 20 years after the Kohl statement, Federal President Wulff made the same point in his own words: “But I will never stop championing Europe, for Europe is our future and we Germans should remain its engine.”

The effect of the 1990 miracle was that, with the stroke of a pen, all of Germany now belonged firmly to the West – we were now and will be “Teil des Abendlands”. Thus, 1990 also ended all speculation about a German “Sonderweg”. This is why being part of the West has been, along with the gift of German unity, the greatest gift Germany received in the second half of the 20th century. On this we must, and we will, now build.

Germany would have more to lose than any other country from an ailing or fragmenting EU or from a disintegrating Eurozone. They know this very well in Berlin. And Germany will benefit substantially from a European Security order which offers an appropriate place and role to Russia, and to the “in-between” states.

This is why you may rest assured that Berlin will continue to play a vital and central role in completing the unfinished business of unifying Europe by building an even more integrated, more enlarged, and more capable EU, by keeping NATO alive and well, and by opening our door to Russia.

Thank you.