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HYPER TENSION

Diagnosis: The US president and his “America first” policies are a shock to the international system. What treatments should be prescribed?

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Extra time

The SPD has given the green light to the next grand coalition with Merkel’s Union

BY THEO SOMMER

Germany is back. Almost six months after the inconclusive federal elections last September, after tortuous negotiations between five of the seven parties in the Bundestag and after heart-wrenching soul-searching among the Social Democrats on whether to team up once more with the CDU and its Bavarian sister party CSU, another grand coalition has been given the green light. On March 14, Angela Merkel will be sworn in as chancellor of the Federal Republic for the fourth time.

It will be her last stint in office – and it is quite possible that she won’t even serve out the term. In many regards she is a diminished figure. The coalition agreement saw her make important concessions to the Social Democrats; according to some analysts, 70 percent of the government program betrays the handwriting of her junior partner.

In addition, she was constrained to relinquish six ministries to the SPD, chief among them the weighty foreign, finance and labor departments. As the CDU/CSU had garnered a third of the vote in the elections, and the SPD only 20.5 percent, this caused considerable uproar in the party. Merkel had to placate her critics by rejuvenating the cabinet – by 15 years on average – and appointing Jens Spahn, her young, dynamic and ambitious challenger, to the health ministry. She will no longer be able to lay down the line unquestioned.

The agenda of the new grand coalition is contained in the 177-page agreement hammered out by the party negotiators – a document chock-full of good intentions, but also dreary detail. Managing immigration and the integration of the 1.2 million refugees who recently flocked to Germany is an urgent task. The country’s “welcome culture” is a thing of the past; some 200,000 newcomers a year will be its future limit.

Digitization – a field in which Germany is shamefully lagging – is another priority issue. So is job security and social justice in a world of rapid auto-

mation and robotization. The diesel scandal revealed that the country is also far from meeting its goal of reducing toxic emissions. The future of work, education, pensions, healthcare and elderly care all require much attention. Rescuing the dilapidated public infrastructure – roads, bridges, schools and universities, railways and army barracks – from further decay, modernizing the tax system and boosting domestic security pose additional challenges.

Fortunately, Germany is buoyant. The rate of employment is at its highest ever, and unemployment at its lowest since reunification. Exports have reached a record high. The economy is running on a budget surplus of €36 billion. Yet lurking in the small print of the coalition agreement are lots of hidden costs that jeopardize the “black zero” principle of Germany’s budget policy. For this reason, strife and friction between the coalition partners can’t be ruled out.

Foreign policy is a different story. Irrespective of who will be the next foreign minister, Germany’s diplomacy will be marked by continuity and consistency. Europe will again be the top priority. Her first trip abroad will take Chancellor Merkel to Paris. President Emmanuel Macron will finally get a German response to his ambitious plans to push the EU project forward. While Paris and Berlin do not yet see eye to eye on a fair number of issues, they will leave no stone unturned in building a stronger, more efficient EU, revamping the eurozone and beefing up Europe’s defense configuration.

And there are other quickly evolving challenges they need to tackle: averting – or girding themselves to fight – a trade war with Donald Trump’s America; confronting an aggressive Russia and an ever more assertive China; handling the Brexit negotiations; coping with Italy’s malaise; containing the bleak illiberalism of Viktor Orban’s Hungary and Jaroslaw Kaczynski’s Poland; securing Europe’s Mediterranean borders; and removing the causes of migration in North Africa. There is plenty to do.

Germany is back in the game. The hard work can now begin.

First defense

Time to bridge the gulf between rhetoric and reality, time for a real European security initiative

BY MARK LEONARD

This is the hour of Europe – a unique opportunity to unite a divided continent by showing that unity is the first line of defense in a dangerous world. But thus far there is a continent-sized gulf between the European government’s rhetoric on global disorder and the unambitious, technocratic initiatives it has launched. There is still much time remaining to close it.

A thought experiment: Imagine it was still 2007, and you were asked to identify the most extreme scenario that would lead Europeans to take seriously the idea of providing for their own security. You might have suggested that they would wake up if, say, Russia invaded two of its neighbors and annexed their territory; or if the European neighborhood was afflicted by a string of proxy wars, driving millions of people from their homes, including over a million refugees to Germany alone; or if many European countries would become victims of terrorist attacks; or if cyber war had traveled from science fiction novels to the front pages of newspapers. And if what foreign intelligence agencies were fighting information wars inside the EU, and even trying to hack our elections? And if one of the EU’s two nuclear powers – the one with the highest share of the EU’s defense spending – chose to leave the EU? And then to top it all off the United States began retreating from many theaters and even questioning its commitment to NATO?

Most people in 2007 would have had to suspend their disbelief about any of these fantastic developments. Upon doing so, they might have predicted that European countries would be trying intently to tackle their vulnerabilities and launch a major new initiative to build strategic autonomy. And that is actually what happened – at least in speeches. When the horror scenarios unfolded, every one from Jean-Claude Juncker and Federica Mogherini to Emmanuel Macron and Angela Merkel have tried to awaken the “Sleeping Beauty of European Defense.” Unfortunately, the rhetoric does not yet match reality.

There are two dominant paradigms for pondering European defense: promoting integration and building capabilities. But by

trying to pursue both goals within its first few steps, the EU risks achieving neither.

The launch of Permanent Structured Cooperation (PESCO) triggered a big debate between the pro-integration and the pro-capability camps. PESCO now has 25 members, including some whose stated goal is to block EU integration (such as Hungary) and those whose principle goal is to obstruct cooperation with NATO (such as Cyprus). Maybe countries that fail to make progress will be expelled at some point – but that seems unlikely. As an analogy, imagine how much progress would have been made if member states had been allowed to join the euro before making reforms to meet the Maastricht convergence criteria. It is clear that the adopted model does not build capabilities.

But PESCO is equally unlikely to build unity. The development of real capabilities could have rebuilt solidarity in a union divided between north, south, east and west by showing how Europe can make a difference on the matters that most concern its citizens, from Russian aggression and uncontrolled borders to terrorism and cyber attacks. But the “fake inclusivity” of PESCO means that these issues will be addressed by small-scale technical projects rather than by a political initiative that could capture imaginations. More significantly, putting unity above effectiveness forces countries that are serious about European defense to join coalitions outside EU structures, like France with its newly launched European Intervention Initiative.

How can EU leaders launch a real security initiative to turn things around? First, Europe must look more carefully at removing the barriers to investment in military capabilities. The EU should exclude investment in European defense capabilities from the Maastricht rules and include a defense component in the next Multiannual Financial Framework (MFF). EU money could be used to form a compensation fund for defense industrial losses caused by joint procurement as well as for more generous support of states participating in EU and non-EU European military operations.

We have known for some time that the EU could achieve more capabilities for the same price by pooling and sharing its equipment. The diversity of EU weapons is six times higher than that of the US – for every model

of US destroyer or frigate, the EU has seven. But most governments are more interested in the job-creation potential of procurement than in capability. Moreover, as long as governments or parliaments of member states retain veto power over deployment of their forces – which I support – a complete pooling and sharing will not increase capabilities, but rather paralyze Europe. The famous “European army” is therefore out of the question for now. However, common investment and acquisition is much easier to push in terms of newer technologies such as cyber, drones and artificial intelligence (AI). As these technologies have not existed for long, there are fewer national idiosyncrasies to overcome.

The second component should be the development of a flexible European security force. Macron’s proposal for a European Intervention Initiative is a promising start, but it is likely to fail if other member states perceive it simply as a vehicle to rally other nations to fight France’s post-colonial wars. This initiative should be widened into a broader European Security Initiative, designed explicitly to address other nations’ security concerns.

Part of this could include the establishment of a combat-ready European military force made up of soldiers from different European member states who train together and use the same equipment. This force should eventually comprise up to 100,000 soldiers and include its own separate capability. States wanting to join this force should face ambitious entry requirements, including a minimum contribution of troops and minimum defense spending. These thresholds must move beyond the flaws of PESCO.

This could be established in parallel to a stabilization and civilian component – including police, border guards and other facilities.

This would not be a European army but rather a flexible force, and more importantly would leave fully functional national military forces intact. The gulf between the rhetoric of European autonomy and the reality of small-scale technical projects not only harms our security, but also threatens the legitimacy of the European project and the possibility of re-establishing solidarity through a union that protects. The EU must close this gulf now.

CRITICAL

Democracy remains unimaginable without freedom of the press

EDITORIAL BY PUBLISHER DETLEF PRINZ

In Germany, we are proud of our constitution – and rightfully so. After the terror regime of the National Socialists, the authors of the German Basic Constitutional Laws decided that it was of utmost importance to create a constitutional democracy in which the protection of human dignity, fundamental human rights and civil liberty was guaranteed and enforceable.



Freedom of the press, speech, opinion and information are secured in Article 5 of the Basic Law, and carry a special importance. This is because a democracy that truly deserves the distinction is unimaginable without independent and diverse media. The media communicates and conveys democratic processes to the people. Citizens can use the media to inform themselves of current events, and to join discussions on relevant topics. Indeed, citizens are dependent upon critical, factual and responsible media to be able to fully exercise their rights. However, what appears self-explanatory from a German perspective is vastly different from the reality beyond our national borders.

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RUSSIAN EVOLUTION	REFUGEES BETRAYED	COAL TRUTHS	LIGHTS OUT	BREAKING EVEN	COMING BACK
Putin is widening his footprint across the globe. Katja Gloger looks at the elections on March 18 and charts Russia’s path to superpowerdom. page 3	Summer of 1938. Delegations from 32 countries met in Evian to discuss how and by whom Jews fleeing the Nazis could be helped. The ten days at the spa town ended with a defeat for civilization. Looks a lot like today, thinks Peter H. Koepf. page 6	In 2018 the last two German coal mines will have to shut down. The end of brown coal is approaching as well. Hannes Koch reports on the drawn-out crisis of the German coal industry. page 11	After the end of World War II, the Allies dismantled Berlin’s industrial facilities and large corporations fled the fault line of the brewing Cold War. The German capital has suffered the consequences of war and division ever since, writes Benjamin Walter. page 12	The Wall divided Berlin for more than 28 years – and now it’s been 28 years since it came down. Wearing the weight of the past and reveling in its present glory, the city is coming into its own, says Frank Hofmann. page 13	A steadily growing number of Israelis are moving to Berlin. Some are even opening up great new restaurants. Franziska Knupper checked out the dishes and the people preparing them. page 15

POLITICS

BY LUTZ LICHTENBERGER

The wait is over. The Bundestag is poised to form a new government. President Frank-Walter Steinmeier has formally proposed to the German parliament that Angela Merkel once again be elected federal chancellor in a vote scheduled for March 14, 2018.

In the six months since the federal election on Sept. 24, 2017, Germany has witnessed many exciting events, including a spectacularly ill-fated attempt to form a so-called "Jamaica" coalition, followed by prolonged and problematic negotiations between Merkel's Christian Democratic Union (CDU) and its former and future coalition partner, the Social Democratic Party (SPD). The SPD was obliged to ask its members to vote on whether they should in fact form a new coalition government with the CDU, and those members responded with a subdued yet decisive "yes." This paved the way for a new, not so "grand" coalition made up of the CDU – in concert with its sister party, the Bavarian Christian Social Union (CSU) – and the SPD. Together, the parties would occupy 399 of 709 seats in the Bundestag.

As compared with 2013, the new grand coalition has diminished in size. While five years ago the CDU/CSU and SPD boasted 504 of 631 votes, giving them a majority of more than two-thirds, they will now have only 53.4 percent of votes.

Yet these lean numbers do not reflect the entire spectrum of dramas – both big and small – that have played out on Germany's main stage and behind the scenes in the past six months. It has been an extraordinary time for what is usually a rather orderly state of affairs in German politics. Indeed, the country experienced a series of nail-biting nights worthy of a storyline on *House of Cards*.

The first breathtaking moment came when Merkel failed – after several long and tense weeks in November 2017 – to form a new government with a "Jamaica" coalition. The Caribbean reference comes from the colors of parties that would have matched the black, yellow and green of Jamaica's flag: the center-right CDU/CSU, the pro-business Free Democrats (FDP) and the left-leaning environmental party known as Alliance 90/The Greens. Prior to the breakdown of the Jamaica talks, all parties in the Bundestag had simply assumed that the four parties involved would be able to agree on a government coalition. However, just before negotiations were set to end, the FDP announced it was backing out, complaining that Merkel had not paid them enough consideration, and retreated hastily in a collective sulk. They even posted an image on Facebook that had been prepared days before: "It is better not to govern than to govern badly," it read.

This was followed by more weeks of preliminary and exploratory talks between the CDU/CSU – referred to as the "Union" parties – and the SPD. After experiencing a traumatically low score in the September election, the Social Democrats had been enthusiastic about becoming the official opposition. But now, suddenly, they were back in demand. In fact, a new grand coalition between the Union parties and the Social Democrats was the only conceivable option left on the table.

However, this was precisely the scenario the SPD did not want. A renewal of the forced marriage between itself and the powerful Chancellor Merkel – whom they blamed for their significant loss in voter confidence in the previous election – was seen as a great burden. With Martin Schulz as their candidate, the SPD had achieved a paltry 20.5 percent of the vote, a decline of more than 5 percentage points. This result

had made the party's desire to "come alive again" in the role of official opposition even greater.

After the surprise end to the Jamaica talks, the SPD found itself being courted by its erstwhile political opponent once again, this time with the Christian Democrats appealing to them to keep in mind their "responsibility" to the country. The SPD was by no means interested in carrying out this "service" to Germany, nor did they wish to enter into yet another loveless marriage with the CDU/CSU. It took some strong words and a strict reminder from President Frank-Walter Steinmeier – himself an SPD member and former foreign minister in a grand coalition until 2017 – to persuade them not to frivolously and categorically refuse the offer.

Steinmeier also let it be known that he would not be issuing the endorsement required to call a new federal election. For their part, the CDU and CSU ruled out the option of a minority government, arguing that Germany could not be an effective leader in Germany and Europe without a stable government at home.

Steinmeier's words had the desired effect on the SPD, which then began talking with the Union, but first and foremost with itself. Eventually, an SPD party congress came back with 56 percent in favor of coalition negotiations. The result of those negotiations came quite quickly in the form of a 179-page coalition agreement, a political document whose contents are not legally binding. The deal contains many soft phrases that express the parties' "intent" and "plans" to carry out good and sensible policies, while at the same time deferring or simply disregarding other pressing issues.

In the realm of foreign relations, the agreement states that Germany's security policy should become "more independent and capable of taking action"; that the defense budget should increase in line with expenditures in development aid that the number of soldiers in Afghanistan should exceed the currently mandated limit of 980 soldiers; that the training of Kurdish fighters in northern Iraq should come to an end; and that future foreign policy there should be more focused on stabilizing the situation.

The deal also expresses the coalition partners' openness to the euro reforms suggested by French President Emmanuel Macron, but fails to make any suggestions of its own. It states that the EU budget should be

GABRIEL'S POPULARITY COULDN'T PREVENT HIM FROM LOSING THE OFFICE OF FOREIGN MINISTER HE HAD SO VISIBLY EMBRACED

strengthened, but leaves open exactly how this should be accomplished. The deal also expresses a desire to make Europe more attractive as a business location, stating that all coalition partners are in favor of coordinating the taxation of companies in Europe. The deal contains a fundamental rejection of protectionism, isolationism and nationalism; however, it does not foresee a quick expansion of the EU.

In the realm of refugee policy – the most volatile political issue of the day – the coalition partners are in agreement on certain steps that appear to lead to a cautious restriction in the number of refugees. However, the agreement states that no changes be made in terms of the basic right to asylum. The document assumes that the total number



of immigrants in the coming years will be around 180,000 to 220,000 individuals. These numbers are to include war refugees, those in temporary need of protection, family members coming to live with individuals already in Germany and relocated persons. The numbers would be reduced by those individuals forced to return to their

countries of origin. So far, so good – at least for business as usual.

Late that night in February, things finally got exciting when Merkel's CDU, Horst Seehofer's CSU and Schulz' SPD began divvying up federal ministries. The SPD demanded three of the most prestigious posts, including foreign minister, finance minister and minister of labor and social affairs. The Union was unwilling to concede all three to the Social Democrats, at which point the entire endeavor began to teeter on the edge of collapse. The silence coming from both sides must have been deafening: "I had no idea people could be so quiet for so long," Seehofer would later remark.

After meetings that lasted well into the wee hours, the CDU/CSU ultimately gave in. To placate Seehofer, who had wanted one of the three large ministries for himself, the Interior Ministry was expanded to include the realms of building and Heimat (homeland).

The coveted position of minister of foreign affairs was reserved by Schulz for himself; this, however, would have catapulted Sigmar Gabriel – the SPD stalwart who currently holds the position – out of the game. Embarrassingly for Schulz, back in November, not only had he attempted to exclude the possibility of a new grand coalition by issuing a resolution in the party presidium; he had also said he would never join any cabinet under the leadership of Merkel. But now, after negotiating with the Union, Schulz was willing to give up his party presidency to Andrea Nahles in return for the position of foreign minister. However, he lacked support in his party on this issue and had already lost a significant amount of prestige and credibility in the space of only a couple

of weeks, whereby he had had to revise one hasty statement after the other.

Nevertheless, Nahles and newly designated Finance Minister Olaf Scholz went along with the deal. Together, Nahles and Scholz constitute the new power center of the SPD, and the fact that their inner-party rival Gabriel would be out of a job suited them just fine. However, on the morning after the announcement of the ministerial shuffle, pressure from the regional associations of the SPD grew enormously; only two days later, an exasperated Schulz gave in and renounced any claim to a ministerial post. This most likely marked the end of his political career, less than a year after having been hailed as the savior of the SPD in March 2017.

Still, even this abdication – which was clearly anything but voluntary – did not help to pacify the party. The battle for the foreign office flared up again; Gabriel is well-liked among Germans in general but valued less in his own party. Yet his popularity couldn't prevent him from losing the office he had so visibly embraced since becoming foreign minister in January 2017. (A decision about his successor will be made after this paper's editorial deadline.)

In the meantime, Chancellor Merkel has managed to make a number of course-setting personnel decisions, thus placating many critics in her own party and simultaneously maneuvering the candidate she wishes to succeed her into a strategic position. Merkel designated Annegret Kramp-Karrenbauer, until recently minister-president of Saarland, a small federal state in southwestern Germany, as the new general secretary of the CDU. (The position most closely resembles that of a national party chairman in the US;

however, party organizations play a larger role in German politics, which means that the position is seen as much more prestigious.) Berlin's political community has read Merkel's decision as a clear indication that she wishes Kramp-Karrenbauer to be her successor.

Also interesting is the rather cautious manner in which a growing section of Merkel's CDU has begun to push for her departure from the political stage. The chancellor has been in office since 2005, and her liberal approach to the refugee crisis and Europe's various financial predicaments has long since ruffled the feathers of many in the conservative wing of her party. They blame Merkel for the rise of the far-right populist party known as Alternative for Germany, which received 12.6 percent of the vote in last September's election.

One of the chancellor's sharpest critics in the CDU is the ambitious 37-year-old Jens Spahn, who hails from the right wing of the party and has openly considered himself to be a potential candidate for chancellor. Merkel has now designated Spahn to become minister of health, not the most coveted post, in her new cabinet. It is highly likely that as soon as Merkel launches her fourth term in office, both Kramp-Karrenbauer and Spahn will have already started trying to outmaneuver one another into a position to succeed her. Merkel has stated her intention of carrying out her full term, so if things progress "naturally," the date of succession would be as far off as 2021, the next elections. However, if there's one thing we've learned over the past six months, it's to let go of any notion of politics as usual in Germany.

Leading women: Angela Merkel is starting her fourth term as chancellor. SPD party head Andrea Nahles will be ally and rival in their party's new grand coalition.

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Julia Becker, head of Funke Mediengruppe, spoke about the importance of press freedom at the Goldene Kamera awards in Hamburg on Feb. 22, 2018.

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CRITICAL

Within the short period of only four months, two investigative journalists were murdered in member states of the European Union. In October, the Maltese reporter Daphne Caruana Galizia was torn to shreds by a car bomb. And only a few days ago, the Slovakian reporter Jan Kuciak and his fiancée, Martina Kusnirova, were shot and killed. Both journalists had been investigating ties between politicians in their countries and organized crime, as well as corruption, bribery and tax havens.

In many countries, journalists risk their freedom to pursue their careers. In some cases, they even risk their lives. This is not only the case in dictatorships or despotic regimes, but also in democratic countries where the constitutional state is weak. In her recent speech in Hamburg, the chairperson of the Funke Mediengruppe supervisory board, Julia Becker, stressed the importance of protecting unyieldingly critical and unrelenting journalism: "According to Reporters Without Borders, 182 professional journalists as well as 123 freelance civilian journalists and bloggers are currently behind bars. Restrictions on press

freedom can be observed not only in Turkey, Russia, Poland and China, but also in the first country to have incorporated freedom of the press into its constitution: the United States of America."

At the same time, Becker made it clear that there are also worrisome developments in Germany. "Even in our country, journalists from political fringe groups have been defamed and dismissed as reporting fake news," she said, hinting at the work of those opposed to democracy within the spectrum of right-wing populism and nationalism. The conclusion Becker reached was explicitly clear: "People attempting to infringe upon independent journalism are destroying the very foundations of our free and democratic society." After all, a democracy is more than a form of government with certain laws and institutions. Democracies and open societies are founded on the idea that both individuals and communities have the right to freely choose their way of life, and this can only be achieved by a combination of engaged citizens, passionate democrats and courageous journalists.