What Germany wants – as diplomacy over Brexit begins

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How to avoid the politics of revenge. Toby Melville / PA Wire

Greece, the refugee crisis, and now Brexit. The German Foreign Office’s first reaction the day after the UK’s vote to leave the EU in a referendum came in the form of a tweet:

We are off now to an Irish pub to get decently drunk. And from tomorrow on we will again work for a better #Europe! Promised!

#EURef

8:15 PM - 24 Jun 2016

8,748 9,635
But Germany’s chancellor, Angela Merkel, went into crisis mode. This means: absolute calm.

We are witnessing the collapse of the international order in Europe that began to take shape after World War II, was solidified during the Cold War and was kept in place after the Berlin Wall fell. It relied on a mixture of intergovernmental cooperation and supranational regulation through Brussels.

Germany has profited massively from this status quo. Brexit threatens this and could cause irreparable damage to one the key pillars of its post-World War II foreign policy: the belief, forged first by necessity and then by choice, in “sovereignty through integration”.

Now the questions for the German government are: how much of the status quo will it be able to preserve and how can it lead without being seen as an aggressive leader?

**Shifting allegiances**

Brexit will remove Germany’s important ally, the UK, from the European Union – an ally that has enabled it to hone this model to perfection. Structurally, the presence of the UK has allowed Germany to wield power without appearing too powerful. A fundamental re-positioning of Germany’s foreign policy stance seems unlikely. It makes little sense to rearrange the deck chairs while the Titanic is sinking.

Some **German conservatives argue** that Merkel’s calm is merely a form of self delusion. They want to see a more powerful repositioning towards the nation-state. They blame Brexit on her policy towards refugees and argue that the German government has simply ignored the lack of legitimacy for EU policy. Germany should become a bit more British, they say.

German business and financiers would like to see a quick return to some form of stability. The UK is Germany’s second-largest export market in Europe. Not only Germany’s big corporations, but also many small and medium-sized German businesses have close economic and trade relationships with the UK. London is of significance for Germany’s banks, especially its flagship, albeit ailing, Deutsche Bank. The Frankfurt and London stock exchanges had been in merger talks.

Merkel’s calm is first and foremost a negotiating strategy in times of uncertainty. Hence her **insistence**, at a press conference on June 27 and again in her speech in German parliament on June 28, on the need to trigger Article 50 of the Lisbon Treaty to leave the EU, before any informal negotiations can commence.

But there was also a veiled threat about a creeping Brexit in her **immediate reaction**, the day after the referendum: until Article 50 is triggered, Britain will remain a full member of the European Union “with all benefits and obligations”. And crucially, Merkel interpreted the result of the referendum as meaning both: Britain leaving the EU and the common market.
Germany will want to keep maximum control of the European negotiations so as not to encourage further disintegration. Economic interests are going to be foremost in the government’s mind. Defence and security issues are likely to be handled with France in the lead. This is likely to entail limiting the role of the European Commission and of the European Parliament.

But Merkel also knows that Germany’s key ally France is in crisis. French president, François Hollande, is under immense pressure from Marine Le Pen’s eurosceptic Front National at home. Merkel has already experienced some of that pain herself: her popularity at home dropped massively in the wake of the refugee crisis. Her Bavarian coalition partner CSU has been highly critical of her policy, stopping just short of calling her policy an act of treason.

With federal elections due next year, Merkel needs to avoid upsetting the boat further – and she also would not want to be seen to be endangering Germany’s economy.

The German government also has a vital interest in preventing further disintegration of the EU and to avoid contagion. The kinds of reactions that followed Merkel’s signal to open the EU’s borders to refugees last summer will still be in her mind.

Germany needs to take Europe with her and build up support. Calm is crucial: it allows everyone to formulate their interests and define their positions. Merkel is likely to be especially attuned to Eastern European concerns, not least in light of the strained relationship between Europe and Russia.

She will be keen to make her office the key clearing house for all negotiations. But the role of the German Foreign Office is likely to rise again – if only for reasons of sheer workload.

Expect to see more haggling between the Chancellery and Foreign Office – where foreign minister Franz-Walter Steinmeier is keen to position his Social Democratic Party for the elections next year.

France and Germany: shoring up support. Ralf Hirschberger/EPA

This is one of the reasons why Steinmeier’s office has worked with France’s foreign ministry, the Quai d’Orsay, led by the former German teacher Jean-Marc Ayrault, since February to plan ahead for Brexit.

They issued a lengthy joint declaration after the vote, apparently without consultation with Merkel. The paper calls for a focus of integration in only those areas, such as security and migration control, where integration might add value. And it wants to “deliver better” on those issues. The paper’s length is in an inverse relationship to its usefulness as a starting point for negotiations. From a German standpoint, its main purpose seems to be its mere existence: it declares a strong Franco-German alliance – and so wants to prevent France ganging up with Italy and Spain against Germany.

Not out to be nasty

https://theconversation.com/what-germany-wants-as-diplomacy-over-brexit-begins-61730
Merkel will be keen to move forward with inter-governmental negotiations across Europe, but around a Franco-German core. She will see this as a way to push back on attempts by the hyperactive Jean-Claude Juncker, head of the European Commission, to shape events. Her key ally in this is likely to be the Polish president of the European Council Donald Tusk.

Germany’s position in the forthcoming negotiations is likely to be pragmatic. A key objective will be not to let negotiations about the modalities of Brexit spoil the subsequent negotiations about the specifics of the EU-UK relationship.

Germany is not interested in a politics of revenge. But not being “nasty”, as Merkel put it, should not be taken to mean that British negotiators can expect to shoot the breeze. Her speech on June 28 made it clear that the UK cannot expect something for nothing.

It is too early to tell whether Germany’s intergovernmental strategy will lead to substantial changes in its overall European policy. At the moment, the only certainty is that the German government is facing the most significant challenge to its foreign policy since 1989, if not 1949.