Bilateral Relations Through Conflict And Cooperation: 
German’s Dilemma Over Russia 

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ABSTRACT
Since the outbreak of the Ukraine crisis and the implementation of the EU sanctions regime against Russia, Germany took up a leading role in the coordination of the EU's Russia policy. This policy shift appeared to be a drastic departure from the traditional German Ostpolitik paradigm. Central to this analysis is the concept of geo-economics, which can be broadly defined as the “geostategic use of economic power”. For the last twenty years, relations between Russia and Germany have been in the economic comfort zone. The simultaneous use of Energiewende (energy transformation) by Germany has eliminated the use of nuclear and coal as energy sources in Germany. Germany opened cooperation with Russia to build a gas pipeline to support Germany's domestic energy needs. This article aims to examine how geo-economics influences Germany's leadership of the EU's Russia policy, with a particular focus on the study of German domestic politics and the role of relevant economic actors. This article identifies three such tensions as multi-track diplomacy approach. The first emphasizes the development of German diplomacy on Russia and the impact to their bilateral relations; the second highlights is German policy on OSCE that embrace new Ostpolitik towards Russia. Third contends German dependency on Russia energy and the impact to the German’s leadership on EU sanctions towards Russia. On the one hand, Germany needs reliable and cost-effective energy to support its world-class industrial economy from Russia. On the other hand, German and Europe security was at stake. This framework is to understand how German policymakers are doing the work of interpreting their national interest and defining appropriate action in response to the dilemma.

Keywords : German Foreign Policy; Germany’s EU leadership; German-Russia Relationships; Ukraine crisis; Geoeconomics

1. INTRODUCTION
Taking up the challenge laid out in the introduction to this issue, this article analysis how cooperation and conflict coexist in German-Russian relations. How can geostrategic deterioration of German-Russian relations, which began with the eastern Ukraine conflict in 2014, coincide with an improving situation such as Russian invasion and annexation of Crimea. Germany led the action and coordination of the international crisis with the use of economic power and diplomacy that accentuated the strength of Germany's foreign policy, although it was less able to face confrontation from a military dimension. Morgan argued that Germany would increasingly find itself faced with the need to make strategic choices as divisions began to open up between its European, pan-European and transatlantic orientations as the post-Cold War world evolved (Morgan, 1992).

Since Chancellor Angela Merkel's leadership, bilateral relations between Germany and Russia have been seen. Merkel maintains good relations as penance for Germany's past sins during World War II against Russia. However, since the outbreak of the Ukraine crisis and the imposition of European Union (EU) sanctions on Russia, Germany has taken a leading role in coordinating EU and Russia policies. At first, Germany unofficially recognized Russia's veto against Ukraine wanting to join the NATO alliance

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but the German government found domestic support for European Council sanctions against Russia right after the missile shooting of flight MH17 by pro-Russian rebels in eastern Ukraine. This then allowed Germany to take on the European Union’s leadership role in imposing sanctions against Russia.

In terms of leadership, Germany is often described as a reluctant hegemon (Bulmer & Paterson, 2013) and semi-hegemon (Kundnani, 2017). In this definition, Germany is too powerful to be challenged by other EU member states, while also lacking the will to accept European leadership that goes beyond its core interests. This article challenges the dominant view which assumes that Germany's political leadership in EU policy towards Russia has outstripped its economic interests since the Ukrainian crisis erupted. Instead, this article argues that it is the economic interdependence of Russian-German relations that determines Germany's leadership in the European Union over Russia.

For the last twenty years, relations between Russia and Germany have been in the economic comfort zone. The simultaneous use of Energiewende (energy transformation) by Germany has eliminated the use of nuclear and coal as energy sources in Germany. Germany opened cooperation with Russia to build a gas pipeline to support Germany's domestic energy needs. The former German chancellor Gerhard Schröder has held senior positions at Gazprom, Nord Stream, and Rosneft which are symbols of this collaboration and the basis for Moscow to believe that Berlin will always form a coalition on issues important to the Kremlin. Germany's dependence on Russian gas is often seen as the reason for Germany's opportunistic attitude which has not yet explicitly sanctioned Russia. The closeness of Germany and Russia can be seen clearly in Germany's foreign policy known as Ostpolitik (eastern politics). Germany also has a dependency on Russian gas. However, its conditions and position in international politics prompted Germany as the OSCE representative to mediate the conflict and maintain neutrality during negotiations and formulation of resolutions.

However, the relationship between Germany and Russia has often confused its OSCE partners. It can be seen from the difference in the attitude of German Foreign Minister Annalena Baerbock from the Green Party who is much more firm in dealing with Russia than Chancellor Olaf Scholz, especially regarding the Nordstream 2 gas pipeline project. Baerbock emphatically rejected the project because he thought Russia could use it as a political instrument, while Olaf Scholz insisted that Nordstream 2 was a purely business project. Demonstrations conducted by German citizens urging Germany's firm stance on Russia in Brandenburgtör highlighted how the complex relationship between Germany and Russia has changed direction after the outbreak of the conflict in Eastern Ukraine involving several European countries. It was not only the German state's policy of engagement with the east known as Ostpolitik that had stalled. Almost all of Berlin's postwar consensus has been violated, and the German government is struggling to cope with the new realities. How to resolve a dilemma that has consequences for the whole of Europe.

Three days after President Vladimir Putin ordered the invasion of eastern Ukraine under the pretext of denazification, German Chancellor Olaf Scholz announced Zeitenwende, which means a historic change or turning point. This shows Germany's attitude towards Russia, namely ending Germany's decades of dependence on Russian energy and accelerating the transition to clean energy; canceling Germany's policy of prohibiting the supply of weapons to conflict zones; and making Germany the largest NATO defense nation after the US. Taken together, these measures amounted to erasing the political foundation on which successive German governments were built to start a new era. But chancellor Olaf of the Sozialdemokratische Partei Deutschlands (Social Democrat Party) and his coalition have repeatedly been seen showing their willingness to accept the economic impact of imposing harsh sanctions on Russia, and committing to supply the heavy weapons Kyiv has demanded against the Russian invading forces. Vladimir Putin's invasion of Ukraine has proved a painful warning to German
decision-makers. For the first time since the end of the Cold War, German decision-makers realized that the security of Germany and Europe was at stake.

This article identifies three such tensions as multi-track diplomacy approach. The first emphasizes the development of German diplomacy on Russia and the impact to their bilateral relations; the second highlights is German policy on OSCE that embrace new Ostpolitik towards Russia. Finally, the third contends German dependency on Russia energy and the impact to the German’s leadership on EU sanctions towards Russia. This article aims to examine how geo-economics influences Germany’s leadership of the EU’s Russia policy, with particular focus on the study of German domestic politics and the role of relevant economic actors.

This study developed a conceptual framework combining critical discourse analysis with the Multi-track Diplomacy theory and the concept of Geo-economics, which provide to the German foreign policy entwined with the discourse of political and business elites and to appreciate how German policymakers are responding to dilemmas over German identity and how Germany should act in the world.

2. LITERATURE REVIEW

A. Multi-Track Diplomacy

Germany’s leadership in the Ukraine crisis allowed it to define the strategic environment on its terms, which could lead to policy incoherence within the EU. Instead of focusing solely on the state as the central actor in peace negotiations between Russia and Ukraine, this research will focus on the domestic debate on the relations between Germany and Russia and its potential consequences at the EU level. The existence of economic interdependence between Germany and Russia can be viewed from an intermestic approach (Szabo, 2015). Where leaders at the government level cannot ignore non-government actors (entrepreneurs) in Germany’s domestic and foreign policy. Therefore, this article seeks to understand Germany’s leadership in the European Union towards Russia, which relies not only on the foreign policy statements of the chancellor and foreign minister but also on Germany’s dependence on imported gas from Russia to meet industrial needs in Germany. In other words, this intermestic approach is in line with the concept of Multi-track Diplomacy.

Multi-track diplomacy is an important theoretical issue of diplomatic techniques. This trend coincided with the rising interests of non-East European states in following a similar line of inter-state communications that made possible the deployment of Track II diplomacy techniques. Multi-track diplomacy aims to incorporate all levels of diplomacy in building a real and sustainable peace. In this respect Bosnia and Herzegovina is a quite appropriate case study (Grozev & Boyadjieva, 2005), as well as to unofficial moves by parties to the conflict; academics or intermediaries working towards conflict resolution. It also refers to efforts by community groups or NGO’s or any effort, by any individual, which in any way furthers the peace process and the creation of a durable peace.

The main purpose of multi-track diplomacy is to create world peace that is integrated with each other by using soft power. Diamond and Mcdonald said that multi-track diplomacy is a diplomacy concept that explains the process of world peace in the international system through a combination of diplomacy through government, groups, and individual channels (Diamond & Mcdonald, 1996). They defined that the multi-track diplomacy approach consists of nine tracks which are a combination of various diplomatic actors, namely: (1) Government; (2) Non-Government or Professionals; (3) Business; (4) Citizen; (5) Research, training and education; (6) Activism; (7) Religion; (8) Funding; (9) Communications and Media.
### Table 1. Multi-track Diplomacy (MTD) by Diamond and Mcdonald

<table>
<thead>
<tr>
<th>Track One Diplomacy</th>
<th>Track Two Diplomacy</th>
<th>Track Three Diplomacy</th>
<th>Track Four Diplomacy</th>
<th>Track Five Diplomacy</th>
<th>Track Six Diplomacy</th>
<th>Track Seven Diplomacy</th>
<th>Track Eight Diplomacy</th>
<th>Track Nine Diplomacy</th>
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<tr>
<td><strong>Actor</strong></td>
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<tr>
<td>Government</td>
<td>All conflict resolution efforts will be carried out through formal channels and by the government and institutions attached to a country. Both from the executive, legislative and judicial branches.</td>
<td>Non-Government, Professional or Peacemaking through conflict Resolution</td>
<td>In their efforts to achieve conflict resolution, non-governmental groups or professional channels also have the function of creating peaceful conditions. The efforts made are preventive, resolving, and maintaining relations between countries carried out by groups of non-state actors.</td>
<td>Business or Peacemaking through Commerce</td>
<td>Business groups also have an important role in its efforts to bring about peace. Namely through providing opportunities to conduct business activities to the community. So, with this activity, it is expected to reduce the economic gap that occurs between the community.</td>
<td>Private Citizen or Peacemaking through Personal Involvement</td>
<td>This track includes activities carried out by individuals or communities in bringing peace in the world. The involvement of this group is also often referred to as &quot;citizen diplomacy&quot; with various types of activities.</td>
<td>Research, Training and Education or Peacemaking through Learning</td>
</tr>
</tbody>
</table>
B. Geo-economic

In addition to using the Multi-track Diplomacy approach, this article also uses the concept of geo-economics. Academics use the term ‘geo-economic’ in different ways. Some describe micro level actions, such as Scholvin and Wigell who define geo-economics as the “geographical conditions” that shape “economic outcomes” (Scholvin & Wigell, 2018), while the other hand Blackwill and Harris describe geo-economics as the use of economic instruments to promote and defend national interests, and to produce beneficial geopolitical results (Blackwill & Harris, 2016). Geo-economics is also concerned with managing the political arena of international relations in which countries operate to pursue their national interests through an economic approach (Vihma, 2018). The economic impact of international politics also has an impact on domestic issues.

Others use ‘geo-economic’ to describe macro level changes, such as Luttwak (1990) argued that competition and rivalry among states would principally play out in the economic rather than military realm. The phrase Geo-economic Order to describe a macro level change in the relationship between economics and security in the regime governing international trade and investment law (Roberts, Moraes, & Ferguson, 2019). This concept seems helpful as a way of describing the foreign policy of Germany, which has become more willing to impose its economic preferences on others within the European Union in the context of discourse of zero-sum competition between fiscally responsible and the fiscally irresponsible. It may be helpful to understand Germany as a geo-economic power instead of a civilian power (Kundnani H., 2011). This concept will be used to answer the question about the direction of Germany's foreign policy, especially in foreign policy relating to export and import activities within Russia.

![Figure 1. Germany GDP over Decades.](Source: World Bank)

Germany has 83.3 million inhabitants and maintained its position as the world’s third largest exporter behind China and the United States. In 2017, Reuters collect data that Germany ran a current accounts surplus of 270 billion in 2016, the largest in the world. Germany is also reliant on manufacturing and advanced industrial economies. This industry makes up almost one-quarter of Germany’s GDP. All of this shifted Germany away from the Zivilmacht approach more toward a geo-economic one. As Maull defined that civilian powers are less economic oriented than trading states, but geo-economic states base their power primarily on economic strength (Maull, 1991). Geo-economic powers differ from geopolitical ones in that rather than relying of military power the latter rely on economic factors of power. Germany is a geo-economic power because: (1) it tends to define its interests primarily in economic terms and applies and economic logic to its foreign policies; (2) gives priority to economic over non-economic interests and value; (3) tends toward selective multilateralism or bilateral approaches; (4) cedes a good portion of agenda setting to the private sector, especially exporters; and (5) uses economic power rather than military power to impose national preferences on others.
3. METHOD

This research was conducted using qualitative methods. This method is an attempt to describe the data obtained from articles, documents, and online media. This data collection method is based on the literature study. The literature study method is a systematic way to collect, identify and analyze secondary data obtained from a collection of pre-existing documents/libraries for research needs. The data to support the research comes from various literature, news articles, and internet articles related to Germany's role in conflict mediation and the impact of its resolution strategy. Some of the literature that will be used in this research includes research on The Donesk Conflict-Opposing Interests and Narratives, Difficult Peace Process by Sabine Fischer, a collection of research results published by the European Parliamentary Research Service (EPRS), and a collection of research results published in the Journal of Contemporary European Studies.

4. DISCUSSION

A. The Development of German Diplomacy on Russia

Despite the political changes which have occurred in Europe and the evolution of Germany’s international identity since the end of Cold War, there has been a high level of continuity in German policy on Russia covering the Christian Democratic Union (CDU) - Free Democratic Party (FDP) coalition under Helmut Kohl during 1990-1998, the Social Democratic Party (SPD) or Red-Green coalition under Gerhard Schröder during 1998-2005, the Grand CDU-SPD coalition under Angela Merkel during 2005-2009, the CDU-FDP coalition also under Merkel during 2009-2013, the CDU-SPD coalition also under Merkel during 2013-2021, the SPD-FDP coalition under Olaf Scholz during 2021 onwards. There is in general terms, the Greens being partial exception, extensive cross-party consensus surrounding Germany’s ‘Grand-Strategy’ on Russia as expressed through the rhetoric of ‘Multi-track Diplomacy’. Germany has demonstrated a strong policy preference of seeking to upload and conduct policy through the European Union (EU) multilateral channels rather than through bilateral relations where and whenever possible (Timmins, 2011).

During the conflict in eastern Ukraine that erupted in 2014 following Russia's annexation of Crimea, Germany led the action and coordination of the international crisis with the use of economic power and diplomacy that accentuated the strength of Germany's foreign policy, although it was less able to face confrontation from a military dimension. With its growing economic power since reunification in 1990 and the advantage of being geographically located at the center of the EU structure (Dembinska, Mérand, & Shtaltovna, 2020), Germany has the advantage to lead the EU in foreign policy in the face of the conflict between Ukraine and Russia. On the other hand, Germany uses a multi-track diplomacy approach in navigating its relations with Russia. For Germany, economic relationship and political relationship are two separate things that are independent of each other and should not be mixed up (Siddi, 2017). This approach can be seen in Germany's decision to remain one of the largest investors in Russia even though Russia has been subject to economic sanctions by the European Union. This allowed the economic relations between Germany and Russia to continue despite the increasingly tenuous political relations following the annexation of Crimea.

From a political point of view, Germany has shown a sympathetic side to Russia, by promoting pro-Russian dialogue and advocacy. His foreign policy is also known as Ostpolitik (eastern politics). These factors allowed Germany to more easily encourage Russia to participate at the negotiating table but also put Germany in a difficult position to maintain its role as an impartial mediator. From this perspective, divided public opinion in Germany makes the threat of a domino effect even stronger. This opened a gap for Russia to exploit the weakness of unity in Germany's foreign policy toward Russia. In this way, German public opinion becomes not only a target for external powers to destabilize Germany and the
European Union but also for economic stakeholders who prefer to return to business as usual (Orenstein & Kelemen, 2017).

In contrast, Russia's projection of geo-economic power towards Germany, which provoked the perception of a more veiled threat, weakened further after 2014, undermining the impact of German business on German foreign policy. This shift in perception from the projection of geo-economic power to geopolitics has caused the collapse of the Ostpolitik paradigm (Gens, 2019), which previously became the axis of political and business alliances in German foreign policy. Furthermore, other stakeholders in the German-Russian business community emphasized the vulnerability of the EU sanctions regime compared to Germany's long-term political and economic strategy. The chairman of the German-Russian Forum underlined Russia's attitude towards Asia as a motivation to withdraw the sanctions regime as soon as possible.

Figure 2. Germany and Russia GDP Per Capita over Decades.
(Source: tradingeconomics.com)

After the formation of a new German government in 2018, the German oligarchs even asked the German government not to extend sanctions on Russia, as Asian companies could further fill the gap in Russia. However, this does not mean that the German oligarchs are fundamentally opposed to German foreign policy. The discourse of economic actors used is more in line with the foreign policy framework that uses geo-economics more than the projection of geo-political power, where there is Gegenmaßnahmen (retaliatory action) between politics and business. Developments since Russia invaded Ukraine have opened up the possibility that globalization will be challenged by both economic and military warfare. Germany has a rather unimpressive military, but a substantial economic arsenal.

B. German Policy on OSCE towards Russia

Germany's position in efforts to resolve the conflict between Russia and Ukraine is as a representative of the Organization for Security and Cooperation in Europe (OSCE) which is a mediator in the discussion of the Minsk Protocol. Mediation is a form of intervention in the conflict in the form of contributing to de-escalation or forming conflict resolution in negotiations (Zartman & Touval, 1985). Germany's involvement in the OSCE is one form of the implementation of Ostpolitik. Mediated by the President of France and the German chancellor in Belarus, the Minsk agreement was initially signed by representatives of Ukraine and Russia as well as pro-Russian separatists in Donetsk and Luhansk (the leaders of the Donetsk People's Republic and the Luhansk People's Republic who at the time of signing had not yet received status recognition). This agreement was formulated in 2014 by the OSCE to establish a ceasefire in the conflict on Ukraine's eastern border with pro-Russian separatist groups. This agreement is known as the Minsk Agreement I.
For Ukraine, the elections included in this agreement act as a step towards the reintegration of Luhansk and Donetsk into Ukrainian territory to restore Ukraine's sovereignty, albeit at the expense of certain levels of power granted to both regions. On the other hand, Russia sees the point of the agreement as a process of granting special status to pro-Russian territories that ensures the persistence of Russian influence over Ukraine and ensures that Ukraine can never be truly sovereign. Following a series of ceasefire violations by both sides, the Minsk agreement was later revised and signed on 12 February 2015. This agreement became known as the Minsk Agreement II. The points in the Minsk I and II agreements include:

Table 2. Contents of the Minsk Agreement by UN

<table>
<thead>
<tr>
<th>No.</th>
<th>Minsk Agreement I</th>
<th>Minsk Agreement II</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ensure the cessation of the use of weapons of both parties.</td>
<td>An immediate and comprehensive ceasefire.</td>
</tr>
<tr>
<td>2.</td>
<td>Ensure monitoring and verification by the OSCE of non-arms use regimes.</td>
<td>Withdrawal of heavy weapons by both sides.</td>
</tr>
<tr>
<td>3.</td>
<td>Implement decentralization of power, including by enacting the Ukrainian Law on the special status of temporary Self-Government in certain areas of the Donetsk and Luhansk regions.</td>
<td>Dialogue on interim self-government for the Donetsk and Luhansk regions, in accordance with Ukrainian law, as well as recognition of special status by parliament.</td>
</tr>
<tr>
<td>4.</td>
<td>Ensure permanent monitoring of the borders of Ukraine and Russia verified by the OSCE, together with the establishment of security areas in the border areas of Ukraine and Russia.</td>
<td>Monitoring is carried out by OSCE.</td>
</tr>
<tr>
<td>5.</td>
<td>Immediately release all hostages and illegally detained individuals.</td>
<td>Amnesty for individuals involved in the conflict.</td>
</tr>
<tr>
<td>6.</td>
<td>Establish a law prohibiting the prosecution and punishment of people in connection with events that occurred in certain areas of the Donetsk and Luhansk regions.</td>
<td>Exchange and release of conflict prisoners.</td>
</tr>
<tr>
<td>9.</td>
<td>Ensure early holding of local elections in accordance with the Ukrainian Law on the provisional status of Self-Government in certain areas of the Donetsk and Luhansk regions.</td>
<td>Restoring control of state borders to Ukraine.</td>
</tr>
<tr>
<td>10.</td>
<td>Remove unlawful military formations and military hardware, as well as militants and mercenaries from Ukrainian territory.</td>
<td>Withdraw armed formations, military equipment and foreign mercenaries from Ukrainian territory.</td>
</tr>
<tr>
<td>11.</td>
<td>Adopt a program for the revival of the Donetsk economy and restart vital activities in the region.</td>
<td>Constitutional reform in Ukraine, including decentralization and special mention of Donetsk and Luhansk.</td>
</tr>
<tr>
<td>12.</td>
<td>Provide individual security guarantees for consultation participants.</td>
<td>Holding elections in Donetsk and Luhansk.</td>
</tr>
<tr>
<td>13.</td>
<td>Intensify the performance of the Trilateral Contact Group.</td>
<td></td>
</tr>
</tbody>
</table>
In response to the lack of efficiency of the Minsk agreement in ending the conflict, Germany then proposed the Steinmeier Formula in 2016 (Gaskarth & Oppermann, 2022), which is a strategy carried out by German Foreign Minister Frank-Walter Steinmeier designed to re-ignite negotiations with Russia on the conflict in Ukraine and solve the impasse and encourage both countries to agree to the timeline specified in the Minsk agreement. In particular, Steinmeier Formula calls for elections in the Donbas to be held under Ukrainian law and with OSCE oversight to ensure the legitimacy of the vote, and the areas to be granted special administrative status, while Ukraine will regain control of its easternmost border region.

Germany has a fairly close relationship with Russia because of the direction of its foreign policy, known as Ostpolitik or eastern politics. Germany also has a dependency on Russian gas. However, its conditions and position in international politics prompted Germany as the OSCE representative to mediate the conflict and maintain neutrality during negotiations and formulation of resolutions. Russia agrees with Steinmeier that holding elections in disputed areas should be a top priority in accordance with the Minsk protocol agreement.

Although Germany has criticized Russia's policies in the ongoing conflict, the economic relationship between the two is still ongoing, namely the close cooperative relationship due to its dependence on Russian gas imports. Thus, Germany got the nickname as Russland Versteher or Putin Versteher which means 'Russian sympathizer' or 'Putin sympathizer' (Nitoiu & Pasatoiu, 2022). The nickname was used to describe Germany's tendency to be more lenient in its response to Russia's aggressive policies in Eastern Ukraine. This sympathy is often described as Germany's Ostpolitik policy.

C. German Dependency on Russian Energy

Under Putin's leadership, natural gas exports were seen as a means to restore foreign power and Russia's position in international affairs. During the course of the conflict, Russia has used its natural gas export power in various negotiations with Europe. The large volume of gas exports by Russia, especially related to the expansion of natural gas links in the context of Nord Stream 2 which is located under the Baltic Sea and brings Russian natural gas to Germany, is an important aspect in the projected development of a more sustainable energy system in the European Union, especially for Germany is transitioning to alternative energy and still needs natural gas to support its domestic industry.

The relationship was also met with strong opposition from the United States. Following German reunification and in recognition of Moscow's key role in this, a strategic partnership was proclaimed in the early 1990s under the paradigm of rapprochement through interdependence (Westphal, 2020). The fact that the natural gas relationship between Germany and Russia has political significance and has been entangled in economic, political and social ties is a major feature. This has created various benefits for both parties.

Imports of natural gas from Russia experienced a significant increase in 2015. In that year Germany accommodated many immigrants from the Middle East with the majority being of productive age, which helped Germany build its industry. At that time Germany was at the height of the largest economic power in the European Union and needed natural gas supplies from Russia more than in previous years.

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Russia supplies about 32% of Germany’s total natural gas imports. Natural gas pipelines from Russia to Germany and Europe are spread through pipelines in Ukraine. About half of Russia’s natural gas exports are piped through Ukraine to consumer countries such as Germany. Germany has the opportunity to diversify its fuel supply through imports of Liquefied Natural Gas (LNG) with gulf countries or the United States. However, the cost of importing LNG is almost double that of imports of natural gas in the form of gas. Thus, Germany chose to depend on Russia because gas imports from Russia did not burden their economy too much, even though dependence on gas imports could burden their political interests.

Since the 2000s, however, the European Union has become a determining factor in German-Russian gas relations, because (a) the Internal Energy Market Package of 1998, 2003, and 2009 fundamentally changed the market and business model of all natural gas companies, (b) with the expansion of the EU, develop a more critical view of Russia as a gas supplier, and (c) energy policy (external) is increasingly a matter of contested political authority in the EU and among member states. In addition, there is the development of the global gas market which transformed the producer market in the first decade of the 21st century into the Liquefied Natural Gas (LNG) market which is abundant in the global market in the United States.
5. CONCLUSION

Germany needs reliable and cost-effective energy to support its world-class industrial economy. Energiewende has shown that renewable energy sources can meet most of Germany's industry demands. But they cannot fulfill all of them, nor can they ensure the stability of the country's power grid without the support of coal and gas power plants. Most important was German reunification, which would not have been possible without Russia's approval. The collapse of East Germany in a "peaceful revolution" was also only possible, because Russia did not intervene and at that time kept its soldiers stationed in East Germany in their barracks. Olaf Scholz seems to still want to promote dialogue and good relations with Russia. But the actions of Vladimir Putin are increasingly making this position more difficult.

Germany did not want to send defense weapons to Ukraine. Clearly, German political institutions believed such a move would destabilize Europe. However, what has not been stated is Germany's fear that open military support for Ukraine will make Russia more difficult to engage in dialogue with. In other words, Germany was politically and business so close to Russia that they did not want to ruin their decades-long relationship. This position has angered NATO, the Baltic states, and Central European countries. They believe that Germany does not understand European security concerns or Russia's intentions.

On the other hand, European countries, especially Germany, want to do business with "energy-rich" and "technology-rich" countries like Russia. This made it very difficult for Germany to impose any sanctions on such a powerful ally. However, in addition to thinking about steps in the interest of a comprehensive economy, Europe especially Germany, also has a tough task, namely limiting the threat and invasion of Russia. The discourse of economic actors used is more in line with the foreign policy framework that uses geo-economics more than the projection of geo-political power, where there is Gegenmaßnahmen (retaliatory action) between politics and business. If sanctions imposed by the West fail they must admit that they can destroy their national interests because of Ukraine.

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