



## Berlin's Neglects East-Central-Europe at Its Own Peril

*By Daniel Hegedüs*

The democratic decline of some EU members has by now matured into a mainstream challenge to the rules at the heart of European integration. Recent events, like the suspension of the Social Democratic Party of Romania from the Party of European Socialists due to the controversial justice reform in Romania or the suspension of Hungary's governing party, Fidesz, from the European People's Party due to the party's overt shift toward authoritarianism in the past years and straightforward attacks on European Commission President Jean-Claude Juncker, demonstrate the rising tensions and conflicts generated by the outright violations of European values.

The democratic decline in East-Central-Europe raises questions regarding the normative responsibility of EU institutions and member states to safeguard democratic values, and beyond this, it is also a geopolitical problem, in particular for Germany. Central and Eastern Europe form the direct geopolitical neighborhood of Germany, and until the accession of these countries to the European Union German foreign policy invested enormous resources in the region to guarantee its geopolitical stability. However, with their EU accession, Berlin's focus strayed from its eastern neighbors and the vacuum left has been filled since 2010 by growing internal authoritarian tendencies and assertive external powers, like Russia and China. Increasingly, the democratic challenge in East-Central-Europe poses a threat to German geopolitical interests as Berlin has failed to counter the erosion of European values in neighboring countries. This must change quickly and starkly to protect Germany's core geopolitical interests in the region.

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### The Geopolitics behind the Eastern Enlargement

Germany was one of the key supporters of the 2004 EU enlargement, as the project benefited it immensely—geopolitically and geo-economically. The accession of Poland, the Czech Republic, Slovakia, and Hungary to



the EU allowed for the integration of their economies into the supply chains of the wider German geo-economic space, the “German-Central-European manufacturing core.” As a result, Germany is the top trading partner for all four Visegrad countries by a clear margin, with export and import shares well over 20 percent. The accession also fulfilled the dual geopolitical goal of stability and security. EU enlargement stabilized Germany’s eastern neighborhood, contributed to the domestic stability of democratic regimes, and effectively filled a power vacuum that kept the influence of other geopolitical big players in the region, like Russia, at bay.

However, shortly after 2004, accession fatigue hit not only the new eastern member states but also German foreign policy toward the region. Germany’s geopolitical interests seeming stable and guaranteed, a “mission accomplished” attitude settled in. Berlin dialed back its political initiatives and effectively stopped acting as a norm-setting power in the region. It failed to adequately invest in long-term compliance with democratic values, despite the valuable lessons it had learned with democratization after 1949. In short, the geopolitical dimension of German engagement faded and a geo-economic approach became dominant.

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Obviously, the pre-eminence of the geo-economic approach is not specific to the German policy toward the East-Central-European countries in the period after 2004, but a central characteristic of German foreign policy overall, as Hans Kundnani explains. However, despite the dominance of geo-economics generally, Germany was still able to formulate and pursue its national interest in East-Central-Europe in geopolitical terms for the first decade or so after 1990, but this changed in the wake of the 2004 enlargement and even further in the crisis period after 2008.

## The Paralyzing Dominance of Geo-Economics

The 2008 financial and economic crisis took the “economization” of German foreign and European policy thinking to a new level. Geo-economics took center stage, and nearly all of Germany’s available political resources were mobilized to the management of the euro crisis. Budgetary discipline, austerity, and compliance with the Maastricht criteria suddenly had clear primacy in EU decision-making over compliance with the Copenhagen political criteria of democracy, rule of law, and human rights. This shift opened the way for conscious autocratization strategies by East-Central-European elites that wanted to get rid of any checks and balances—constitutional institutions, free media, critical civil society—that could constrain their power and benefitting from corruption. Thus, the post-2008 era saw a deepening geo-economization of policy that turned away from enforcing democratic rules as democratic values in the region began to be undermined.

The ongoing democratic backsliding has destabilized the democratic systems and domestic politics of the East-Central-European countries and put them at an increasing distance from EU policies, with the notable exception of Slovakia. Furthermore, as crises and slow growth have lessened the attractiveness of the European model, “sharp powers” like Russia and China started to gain greater influence in the region. Thus, internal developments and external actors are undermining the democratic stability of the Visegrad countries and their cohesion with the EU, both of which are key to German geopolitical interests in East-Central-Europe. Unfortunately, due to the uncontested primacy of the geo-economic approach and a lack of reflection, German and EU foreign policy failed to adjust at the strategic level.

From this perspective, the geo-economic approach does not only represent continuity in German foreign policy, it is also the source of a major rupture. It has contributed to the overall crisis of Germany's role as "normative power" in political sense and to the weakening of its soft-power toolkit. Against this background, the re-politicization of Germany's strategic approach toward the East-Central-European countries—that is, the adoption of an at least partially geopolitical lens—appears to be inevitable. Berlin has to be able to define its interests also in political terms in its immediate geopolitical neighborhood. With one eye on the domestic and international developments of the past decade, stability and security appear to be again the right starting points, beside a self-critical reflection on past failures.

## Fixing German Foreign Policy toward East-Central-Europe

German policy stakeholders should draw two important lessons. First, the existence of stable, liberal democratic regimes and pro-European governments in the East-Central-European countries serves Germany's strategic interests and is thus an important issue of regional stability and security. That is not a question of political left or right or of European party-family allegiances, but one of basic commitments to liberal democracy and European integration. In dealing with Hungary and Poland, even, these basic commitments are either absent or weak. To pursue these goals, Germany will need to revive its normative-power role and its strategic, long-term support for democratic forces in the region (critical civil society, free media).

Second, Germany's political and business spheres needs to understand that their interests in the medium and long term are not guaranteed but threatened by illiberal regimes. They have to realize that Germany's short-term geo-economic positions are largely independent from the political constellations in the East-Central-European countries. The favorable economic environment, the openness toward German investment inflows, and the smooth operation of supply chains are not the fruit of today's illiberal regimes, especially in Poland. While more liberal governments would also continue to support these favorable business conditions, illiberal parties and governments have already begun to talk about "economic colonization" of the region by Germany and target German media investors, among others.

Although in decrease since 2015, due to Berlin's controversial unilateral moves in the refugee crisis, Germany's leverage over its Central and Eastern European neighbors is significant. However, Berlin never made use of its tools available, not even in countering the authoritarian developments in Hungary, where in contrast to Poland and the Czech Republic historical responsibilities do not constrain German foreign policy considerations. If Germany acts strategically, it could use the geo-economic ties to the Visegrad Countries to ensure their compliance with its geopolitical interest, instead of abandoning geopolitics in favor of short-term (and short-sighted) geo-economics.

Germany has more to lose from complacency vis-à-vis East-Central-Europe than many of its EU partners. It should be clear by now that the successful supply-chains of the automotive industry or the participation of German companies in nuclear-power-plant projects, like Paks in Hungary, that enhance Russian influence in the region fall short of a successful foreign policy. Germany's geopolitical interests in East-Central-Europe are at risk, which also endangers its long-term geo-economic interests. German foreign policy cannot afford to underperform any longer. Berlin should start with an honest reflection on past failures and the allocation of the appropriate foreign policy resources to the region that—Germany's immediate geopolitical neighborhood—it deserves.

# Transatlantic Take

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