Abstract

In this third paper of the German European Policy Series the relationship between London and Berlin, one that has become more pressing in light of the Brexit referendum, is analysed. Literature concerning each country’s perspective on European integration and their effect on the European political arena is rich; however, less emphasis has been placed on the role of the British-German relationship itself in shaping European politics. Here, this relationship is noted for its contrasting viewpoints with regard to politics, economics, and especially integration, yet also highlights points of convergence and cooperation between the two countries. Though they exhibit fundamentally different attitudes towards European institutions, Germany and Great Britain share strong ties and cooperation in the economic and security realms that will continue to remain important even as Great Britain withdraws from the EU.
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Convergences and Divergences in Relations with Great Britain

Almut Möller

The differing visions of Germany and Great Britain for the goals and scope of European integration have never before been as visible as they have become in the context of the decision of a slight majority of Brits in favour of the country’s exit from the European Union (the so-called ‘Brexit’). Germany is a founding member, having made its way back into the European family in the aftermath of the Second World War by way of its embedment in the European Union. The Union’s continued development has remained a central cause for Germany’s federal government. Concomitant to this cause is the recognition of the European Union as a structure comprised of intergovernmental and supranational elements, both of which are deemed to have a legitimate place within this compound. According to the German view, the European Union is not only a single market which strengthens its members, but also an eminent political project.

Great Britain, on the other hand, first joined what were at the time the European Communities in 1973, as it became apparent that the costs of non-membership could no longer be reconciled in light of the success of the European Communities. A fundamentally different view of the Union reigns in London. There, the EU is principally thought of as an economic project. Whereas in Germany the question as to whether a nation, even one as large as the Federal Republic can resist faltering amongst international corporations without integrating itself into the European Union, continues to be asked among large swaths of the population, the horizon of experience in Great Britain is quite different. First, Great Britain looks back towards a colonial history which proved this country’s ability to exert its own power over a global empire so long as it wisely plays to its strengths, among them its geography. Second, such integration tends to be perceived as a curtailment of sovereignty and freedom, rather than as its ultimate guarantor.¹ These perspectives continue to largely shape the United Kingdom’s views regarding European integration to this day. For this reason the ‘European question,’ up until now part of the national consensus in Germany, has been and continues to be pitched in terms of fundamental perspectives in Great Britain.

Whereas Germany, with the Alternative für Deutschland (AfD, Alternative for Germany), has only first begun in the last few years to play host to a political party which openly speaks out against the Euro, eurosceptic positions have a firm place even within mainstream parties along the political spectrum in Great Britain. With the United Kingdom Independence Party (UKIP), a political party was established in Britain which, since the 1990s, has included the UK’s exit from the European Union as a central element in its political program. The context of Britain’s debate on Europe, the flames of which have been stoked by a polarizing media landscape, is thus notably different from that in Germany.

The most recent development in the British debate on Europe has come with the referendum on membership in the European Union, implemented by former Prime Minister David Cameron on July 23, 2016, which ultimately cost him his office, resulting in Theresa May taking the office of Prime Minister. More than forty years after its accession, this process has triggered the country’s exit from the European Union.

¹ See Roderick Parke/Julian Rappold: Out on the Edge Instead of Here in the Middle. The Four Reasons Why Britain Can’t Resolve Its Relations with the EU, PISM Strategic File No. 19, Warsaw 2014, p. 1. There the authors remark: “While most Europeans (…) welcomed continental integration as a means of altering their geography and history, Britain saw the EU as a threat. And as the effects of integration gradually made the UK’s non-membership untenable, the EU came to mark a reduction in Britain’s choices, not an increase.”
1. Character of bilateral relations

Despite these fundamental differences, Great Britain and Germany remain nonetheless bound by close cooperation in economic, political and cultural respects. At the same time, German-British relations are described as ‘working relations,’ today shaped less by history and emotions than, for instance, the Franco-German cooperation.²

Germany is one of Great Britain’s most important trade partners in the supply of products, even standing ahead of the USA. Conversely, Great Britain is Germany’s forth most important trade partner. When taking into account the provision of services, Great Britain advances to third place; in this regard, Germany is the second-largest market for Great Britain following the United States. 2,500 German companies have branches in Great Britain; in Germany there are 3,000 British companies. In terms of direct investment, Germany stood in 2014 at a sum of 121 billion Euros (conversely, British direct investment in Germany in the same year amounted to 49 billion Euros).³ As such, economic elites have traditionally played an important role in bilateral relations. Recently, the word of the day has been the binding element of ‘openness towards the world,’ with which Germany and Great Britain state not only their desires to actively take advantage of the opportunities presented by globalisation, but also to take part in the shaping of international order. Great Britain and Germany are both champions of an active European trade policy.

The political relationships, while notably less institutionalised in comparison to the Franco-German partnership,⁴ nevertheless result in a lively exchange and frequent working visits from heads of government, ministers and members of parliament.⁵ Britain’s head of state Queen Elizabeth II has visited Germany five times to date, most recently visiting in Summer 2015. In February 2014 Federal Chancellor Angela Merkel became the third representative of the Federal Republic of Germany, following Willy Brandt and Richard von Weizsäcker, to speak before both houses of the British Parliament.⁶ There are also examples of close cooperation in the European context on the programmatic level, typified by Tony Blair and Gerhard Schröder in their co-authored paper “The Way Forward for Europe’s Social Democrats” (1999).⁷

Constitutive of the German-British relationship is the transatlantic orientation of Great Britain, which, albeit existing under different premises and in its own distinct manifestation, is also central to Germany’s foreign policy. Great Britain has functioned as a bridge between Europeans and Washington for decades. Although since reunification Berlin has gradually established itself as an independent partner of the USA in questions of security policy, up until now it has had London as an advocate for the trans-Atlantic vision within the European Union. The new US administration under Donald Trump is fundamentally calling the value of European integration into question, and has placed itself on London’s side following the EU exit

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³ See the Federal Foreign Ministry: Beziehungen zu Deutschland, effective November 2015, retrievable under http://www.auswaertigesamt.de/DE/Aussenpolitik/Laender/Laenderei/Deutschland/Bilateral_node. html (last accessed: 10/12/2015).
⁵ Since the Conservative Party’s withdrawal from the Group of the European People’s Party and the foundation of a separate euro-critical group (to which the anti-Euro AfD party also belongs since 2014), Great Britain has not only lost importance within the European Parliament. Its relations with the German CSU, conservative sister party of the CDU, have also since considerably cooled.
⁷ In practice the Schröder-Blair paper did not, however, put the proposed political impact into effect.
referendum. This new constellation could lead to substantial shifts in Euro-Atlantic cooperation, as well as in matters of the economy and security policy.

Germany and Great Britain often cooperate closely in international organisations and fora with regard to global matters, whereby fundamentally different approaches have continuously been taken by each side over the last few decades. This is particularly true in the case of the use of military forces as a means of settling conflicts; the dispute in the UN Security Council over policies in Iraq following the September 11, 2001 terrorist attacks is noted here as an exemplary case, resulting in Berlin seeking to close ranks with Paris and delivering a firm ‘no’ to the US-led coalition’s policy of intervention.

Nevertheless, Berlin is aware of the value of the British ‘global mindset’: as a result of its export-based economic power, Germany is more reliant on looking further afield than any other country in the European Union. At the same time, an understanding has been growing in Berlin within the last few years that the stability and security of the world requires a deepened engagement in security and defence policy on the part of Germany.

Great Britain’s conception of Germany currently appears to be undergoing a change. Whereas ten years ago the British perception of Germany was still heavily influenced by negative stereotypes from the Nazi era and the feeling that Germany was stuck in the “olden times,”8 in recent years a new interest in Germany has awoken within Great Britain. A fundamental reason for this growing interest is the economic and political success of the country, which in the late 1990s was still being referred to by the epithet “the sick man of Europe.”9 Today, the “German model” of international competitiveness is regularly referred to as a benchmark within public debate in Great Britain. In the Country Ratings Poll of the BBC, the United Kingdom’s public service broadcaster, Germany led the rankings of most positively viewed international countries in 2013 and 2014, to the applause of the press. The exhibition “Germany: Memories of a Nation” in the British Museum was also a ‘best seller’ in 2013/2014, alongside an eponymous volume and the BBC radio series of its director Neil MacGregor.

More than a quarter of a century after German reunification, at the time received quite critically by Margaret Thatcher,10 a new, liberated Germany encounters Great Britain, which, following the Brexit vote, finds itself in the process of a fundamental and controversial debate on the question of the country’s future within Europe and the world.11

Both countries’ handling of the shifting global environment is an integral part of the common German-British understanding on European and international matters. As such, there is a certain convergence within the analysis of international politics, its challenges and its goals. However, when it comes to the choice of means and methods, these convictions sometimes differ significantly. In particular, Great Britain has increasingly questioned the meaning of the European Union in its current form as a political regulatory and organisational model—Brexit is the latest consequence of this doubt and will significantly affect the future of the European Union and the German-British agenda, but most significantly of all, the future of Great Britain.

10 See Hoff: Deutsche und Briten seit 1990, 2005, p. 20. In the aftermath John Major attempted to patch the fissure between Bonn and London by, for example, announcing an ambitious European policy in the context of the Treaty of Maastricht. This did not last, however, and the Eurosceptic wing of his party prevailed.
2. Possibilities and limits of cooperation

Within the framework of the European Union both countries were, up until now, thoroughly ready and willing to cooperate. Although it is occasionally difficult for Germany to operate within the traditional political and administrative culture of the British, the bureaucratic cultures have nonetheless always worked well together on the day-to-day questions of European politics.

Whereas the differences between Germany and Britain’s conceptions of Europe seem to dominate in the foreground, voting behaviours to date in the Council of the European Union paint a somewhat different picture. Since the end of the 1990s German-British cooperation has repeatedly been seen in negotiations over the EU budget. Both countries are net contributors and share the basic conviction that the EU’s budget is structurally outdated. In the last few decades there have also been occasional overlapping interests in enlargement policy concerning the development of new markets and the stabilisation of countries in Southern Europe. With the Franco-British Initiative of St. Malo for the strengthening the Common European Policy on Security and Defence (1998), London, under Blair, did recognise that the European Union, and not only NATO, had an important role to play in European security. This also essentially opened up a new perspective for German-British cooperation in the field of security within the framework of the European Union.

However, this initiative failed to be brought to life in the time that followed. In this regard, London’s perception of reluctance on the German side to earnestly commit to playing a stronger role in security and defence policies was certainly decisive.

Until now, German-British initiatives have therefore been rather limited in scope as cooperation frequently brought up the underlying challenges of European integration—questions which are posed and answered quite differently among London and Berlin. Cooperation in the European Union between London and Berlin thus follows a logic distinct from that which underlies the Berlin-Paris axis. The latter has similarly always pursued the ambition of shaping the EU at the systemic level. In this sense there has always been common ground between the two founding states Germany and France, allowing them to reap the profits of existing differences by sounding out compromises which also worked to bring other member states on board, thereby furthering the Union as a whole.

The rationale of shaping the ‘big picture’ is noticeably less pronounced in German-British relations, as each party’s objectives for European integration lie much further apart from one another. In fact, Great Britain is often considered to be an obstructionist and heavy-handed user of veto powers, a role which it has indeed played to some extent. The British veto of reforms to the Treaty of Lisbon in December of 2011, which forced Germany and the other members of the Union (including a second exception, the Czech Republic) to conclude the Treaty on Stabilisation, Coordination and Taxation in the Economic and Monetary Union (EMU)—the so-called ‘Fiscal Treaty’—outside of the scope of the EU treaty, possessed a quality different than that of the scepticism regarding integration displayed by preceding British governments. For the first time since joining the European Union, the British government refused to sign a treaty of fundamental importance for the shaping of the Union. This moment can be interpreted as marking a paradigm shift.

13 Britain’s European policy is nonetheless often accused of pursuing an active enlargement policy which shortchanges the goal of political integration by expanding the single market (‘enlargement without deepening of the Union’). Conversely, questions relating to foreign policy are fundamentally suited to awakening British interest and thereby also serve as a vehicle for remaining in a dialog with London within the framework of the EU, whereas the questions of internal structures were shown to be increasingly problematic within the context of German-British relations. This is also true, for example, of cooperation among France and Great Britain regarding nuclear negotiations with Iran (EU-3).
in Britain’s policies regarding Europe. The coalition government formed among the Conservatives and the Liberal Democrats adopted a European law in July of 2011 which, among other points, introduced the so-called “referendum lock.” Following the introduction of this law, changes to the European treaties as well as transfers of competencies at the European level can only be put into effect by way of a referendum. The law reflected the increasingly polarised debate, which was not only confined to the Conservative party whose Eurosceptic wing had come under increased pressure from Prime Minister David Cameron. It was also an attempt to drive back the success of UKIP, which has had a seat in the European Parliament since 1999 and even managed to show itself as the strongest British party in the European Elections of 2014. UKIP has also been intermittently represented in the House of Commons since 2014; however, the party has shown signs of dissolving following the success of the referendum leading to the country’s withdrawal from the European Union. The party has managed to link questions about Europe to those regarding freedom of movement and migration. This strategy has secured the party’s growing popularity and pushed Cameron’s government into a corner within the British debate on Europe—a role that could not be shaken.

Within the German debate on Europe, London is rarely perceived as an actor willing and capable of formulating European interests which surpass its own national interests and for which it would ultimately be willing to make compromises. The British government, on the other hand, sees itself as a thoroughly decisive actor in terms of shaping the European Union. Cameron’s first government followed a strategy of taking the bull by the horns and attempting to credibly place itself at the head of the table of the European Union reform movement in order to convince British citizens to vote to remain in the Union during the referendum. Berlin played a special role in British deliberations. London joined a friendly approach towards the German government with the expectation of making inroads towards the core of the reform debate about the European Union. The learning process which Britain seemed to be undergoing within the European context was once again reflected in this regard. Within European politics it is ultimately the ability to forge alliances which counts for most, bringing not only the ‘big players’ on board but also including the widest possible spectrum of interests, which then serve as points of entry for connecting one’s own ideas.

The reform debate also includes qualitatively distinct facets. Whereas consensus was often quickly reached on topics such as de-bureaucratisation and competitiveness, diverging expectations concerning intergovernmentalism and supranationalism presented fundamental challenges to German-British cooperation on reforming the Union. London has always preferred an intergovernmental Europe in its European policies, whereas Bonn/Berlin, precisely due to its own experiences, values the binding effect of supranational European institutes and processes that better represent the interests of mid-sized and smaller member states. The furthest divergence in respective positions is undoubtedly found in terms of the European Parliament, which has yet to be considered as a legitimate representative of the European people within the British debate. This tends to provoke a lack of understanding in Germany, as the European Parliament is indeed now an equally entitled lawmaking body in many political fields that are also of critical importance to London. On the contrary, Great Britain strived to strength-

17 The process of the ‘Review of the Balance of Competences’, developed at the great expense of resources by the coalition government of Conservatives and Liberal Democrats between 2012 and 2014, was also part of this strategy. With the end of this process, insights about the division of competences between the national and European levels should address the extent to which these reflect British interests. The 32 reports should also implicitly supply the material for Great Britain’s negotiation of reforming the terms of its EU membership pursued by Prime Minister Cameron.
en national parliaments in the context of European politics. In this respect, the Lisbon Treaty’s provisions pertaining to an early warning system for subsidiary control were not enough for London. Still, the British requests for strengthening the role of national parliaments were met by largely sympathetic ears. Over the last decades the Federal Constitutional Court in Germany has repeatedly pressured for the strengthening of the German Parliament, leading to adjustments of its participatory rights. However, in this context it makes a clear difference for a national parliament whether a member state forms a part of the Eurozone or not. In the last few years, parliaments within the Eurozone faced high demands on questions regarding the reform of the Eurozone and German members of parliament were therefore worlds apart from those of British members of parliament with respect to perceptions of their own roles within European politics.

Reference to the Eurozone, whether or not it was the intention of either of the countries, has indeed become a thorn in relations between London and Berlin. The Federal Government of Germany has taken to advocating full-stop for a strengthened integration in economic and monetary policy in order to secure the future of the monetary union. Great Britain continued to see membership as a non-option, but has an interest in the Eurozone’s healthy recovery. The country nevertheless wishes to remain closely tied in with the debate as London, and particularly the city’s financial center, is directly impacted by decisions made in the framework of the EMU. This situation was, for example, reflected by the controversy surrounding the creation of a financial transaction tax.

Both positions—inside and outside the Eurozone—seem to be less and less compatible with one another as Berlin cannot risk tying the future of the common currency to London’s willingness to take concrete steps towards reform, particularly given the existence of the ‘Referendum lock’. In terms of contractual law, Great Britain has meanwhile lost significant ground in its fight to gain power and influence in arenas of crucial importance within European politics. Since the Lisbon Treaty’s provision allowing for a double majority came into force the 19 member states in the Eurozone can, in principle, overrule Great Britain with a qualified majority. While there is currently often a de facto lack of unity within the Eurozone, this situation could change. Still, the psychological effect of the double majority can already be felt. In essence, the European Union and the Eurozone, which is increasingly becoming an arena where public goods are commonly traded and made available, have shown themselves to be steadily breaking away from the British conception of a ‘single market deluxe’.

Exchange between London and Berlin has intensified in the last years both due to and in spite of their increasingly disparate agendas. There are a number of reasons for this development. Among these are the critical developments in the European Union and within its neighbourhood, urgent issues of international security and ordinance, an increasingly strong role of Germany on the one hand and the threatening marginalisation of Great Britain as a non-Eurozone member on the other, and the continued weakness of the Franco-German tandem. Further, Berlin had no interest in Great Britain leaving the European Union and therefore observed the aggravation of domestic debate within the island with growing worries. Berlin’s power to shape policy is well known in London and in this decisive, formative stage of European integration and international relations, it has turned towards a closing of ranks with Chancellor Merkel. In the runup to the British referendum Berlin typically reciprocated this gesture; with the British government’s commitment to implementing the referendum (‘Brexit means Brexit’), clear limits to contemporary German-British cooperation have been set. In light of the deep ties of formative economic relationships with the EU Single

Market that London now wishes to leave, just how Brexit will work remains completely unclear. In the face of 'Brexit', Germany's federal government has nevertheless committed itself and sent another clear avowal of the European Union.

3. Outlook

The coming years could lead to a dynamic effect in German-British relations. At the level of elites' attitudes towards European integration both Germany and Britain have, despite all their differences and largely unnoticed, converged considerably. A more pragmatic approach to the European Union has been established in Germany under Chancellor Merkel, which could have opened up space for more commonalities. The assessment that European integration is no goal in and of itself, but rather a vehicle for the preservation of opportunities for shaping a changing world, has been established within the debate in Germany as a result of generational change. At the same time, Berlin has also had multiple experiences with the fact that its own effectiveness in the European Union is, despite Germany's strong role, not without limitations and that it continues to require strong partners—particularly with regards to new, fundamental questions of European security.

Given that the British have now spoken in the referendum in favour of their country's exit from the EU, the withdrawal procedures now lie ahead. At the end of March 2017, Prime Minister May formally submitted a withdrawal request to the European Commission. These exit procedures will occupy the European Union and its member states over the coming two years and permanently alter the Union. Due to its position and interests within the European Union, Germany will have to play a decisive role during this phase. Beyond the details regarding the rescission, which will be accompanied by high economic and political costs for both sides, but in particular for Great Britain, fundamental questions regarding European integration are also now on the table. With its referendum, London has turned its own 'European question' into a question for all of Europe. In light of the already long list of challenges—the future of the Euro, the refugee issue, European security ordinance in the wake of the annexation of Crimea and in light of a ring of instability in the European Union's neighbourhood—Berlin is not pleased to add this one to its list. To what extent can the European Union continue to uphold its claim to be the umbrella organisation for economic and political ordinance on the continent while its third-largest member decides to abandon these structures?

Berlin clearly positioned itself with the news of the vote to leave: the cohesion and success of the EU-27 has first priority—a task which, in light of current developments within the European Union, will require great efforts. Germany's federal government has therefore heavily invested its political capital in the forging of coalitions among the remaining EU member states following the British referendum. This also helped to close the ranks of EU countries regarding the British exit process. The risk of contagion—that is, the prospect of further disintegration—was clearly seen by Berlin.

In this regard, the truly decisive test of the future of the European Union's cohesion took place in May/July 2017. The newly elected President Macron of France renewed the European ambition of his country for a healthy future of the European Union and the Eurozone. With a solid majority of his party in the following parliamentary elections the French government has also re-energized the Franco-German axis. Berlin and Paris have articulated a new willingness for concrete reforms to get the Brexit-shaken Union back on track. No doubt both sides know this will be hard work. But with this perspective, the 'British question' shrinks to a rather manageable size.