

**Regime Change in Berlin?
Potential Implications for Germany's Foreign and Security Policy**

The Hanns-Seidel-Foundation's Washington Office and Hudson Institute co-hosted a luncheon discussion on "Regime Change in Berlin? Potential Implications for Germany's Foreign and Security Policy" in Washington, DC on July 19, 2005. The featured speakers were Mr. Christian Schmidt, Defense Policy Spokesman for the CDU/CSU Group in the German Parliament, and Mr. Reinhold Bocklet, Chairman of the International Commission of the CSU party.

Below is a summary of their key points:

Regime Change Likely

The prospects for a change of government in Germany this year are high. Although one cannot predict a CDU/CSU victory with absolute certainty, it is likely that the country – following approval by the German President and the Constitutional Court – will hold early national elections on September 18, 2005. More than 75% of the German people favor holding these elections, especially because of the high rate of unemployment and low rate of economic growth. Current polls show a 43%-27% lead for the CDU/CSU vis-à-vis the ruling SPD party of Chancellor Schröder. When one adds the expected 6%-8% vote for the Free Democrats, a potential center-right majority exists. However, the formation of a new left-wing splinter party led by former SPD-chairman Oskar Lafontaine might complicate the results somewhat. Polls give it 11%, but the party's actual percentage of votes probably would be less given its lack of a realistic program, though it will attract many alienated and dissatisfied voters – especially in eastern Germany.

Domestic Issues Most Concern the German Electorate

The CDU/CSU election program contains 39 pages; only 4 pages deal with foreign policy. This indicates the current priorities of the German people. The CDU/CSU narrowly lost the 2002 national election because of a foreign policy issue – the imminent war in Iraq – but things have changed since then. It is unlikely that Iraq, Iran, or any other international issue will play such a decisive role in the upcoming September elections. The SPD is currently trying again to exploit the Iraq issue, asserting in its 2005 election manifesto that "German troops would now be in Baghdad" if the CDU/CSU alliance had won in 2002. CDU/CSU leader Angela Merkel, in contrast, has ruled out sending German combat troops to Iraq, pointing out that "nobody has asked us to contribute troops to Iraq." The CDU/CSU certainly does not plan to make the bilateral relations between Germany and the United States the central element of its 2005 campaign. The key issue is the unemployment of 5 million Germans, something Schröder pledged but failed to reduce.

Restoring Economic Growth and International Competitiveness

The CDU/CSU's overriding goal is to restore Germany's economic growth and international competitiveness. The new CDU/CSU government would relax Germany's rigid labor laws. The CDU/CSU would also invest heavily in key areas vital for future economic growth, such as education, as well as research and development in new technologies. Furthermore, the CDU/CSU plans to cut Germany's high income and payroll taxes as well as simplify the country's complex tax code. The VAT tax, in turn, would be raised from 16% to 18% in an effort to tax consumption, as opposed to the creation of economic wealth. The German people have now recognized the need to make fundamental changes to the national welfare and social system in an effort to reduce the ballooning federal budget deficit and to revive economic growth. Current political leaders owe it to the next generation to implement these painful but necessary reforms now. A new CDU/CSU government would also reorganize the pension funds as well as the national systems of health and unemployment insurance, putting more emphasis on individual responsibility.

Redirecting European Integration

The EU currently finds itself in a difficult situation. The results of the French and Dutch referenda show that the proposed EU Constitutional Treaty is in trouble, though it is not clear whether the German people would have rejected the current document. The poor state of their national economies caused widespread popular frustration in France and the Netherlands with their incumbent governments. Their electorates also blame "globalization" for their economic problems. The question of Turkish membership played an important role as well. Polls show widespread popular opposition across Europe to making Turkey a full-fledged EU member. The French people wanted to vote separately on this issue, but they were not given such an opportunity, so they expressed their opposition to Turkey's EU membership by voting against the draft constitution. The absence of a plan for Europe's political future also contributed to the lack of popular support for the proposed Constitutional Treaty. Angela Merkel has such a plan. As a new face, she can, more easily than established EU leaders, restructure the process of EU integration. A CDU/CSU government would be open toward further EU expansion, but only if Romania, Bulgaria, and other potential candidates for membership meet the Copenhagen criteria. European integration needs to proceed on the basis of a new consensus of interests. Germany may need to break the Paris-Berlin-Moscow axis to organize European integration as a complementary structure to NATO. Europe also requires a joint European security and defense policy to deal with problems such as Kosovo and failing states.

The Turkish Question

A CDU/CSU government would see Turkey as an important political, economic, and military partner, but it would not favor offering full EU membership to Turkey. Washington tends to focus exclusively on Turkey's strategic dimension, and neglects the already close economic and social ties between Turkey and the EU. While the CDU/CSU want to keep Turkey as a NATO member, and perhaps even involve it in the EU's defense and security policy, it would not be feasible economically to provide Turkey with all the costly agricultural subsidies and regional aid programs that would ensue from EU membership. Even Turkish experts recognize the difficulties they would encounter in accepting the EU's entire established body of laws and regulations, the so-called *acquis communautaire*. For example, the Turkish military would need to fundamentally change its role in policy making. For decades, Turkey has clearly

defined its interests as lying in the West even without EU membership. The key question is whether secular Kemalism will continue to determine Turkish domestic and foreign policies, or whether Islamic fundamentalism will undermine Turkey traditional secular, pro-Western orientation.

Revitalizing the Transatlantic Partnership

A new CDU/CSU government would revitalize Germany's traditional partnership with the United States. At present, many Germans oppose the policies of the Bush administration, but not America itself, so it is possible to work with the administration to overcome this problem. Ms. Merkel does not agree with everything the White House does, but she recognizes that Washington is Germany's key ally. A solid transatlantic partnership is essential for combating terrorism and dealing with other serious security problems. The current government has mistakenly given priority to relations with France, Russia, and China, to the detriment of Germany's relations with the United States and the UK. NATO is the core political institution linking Europe and the United States. The Atlantic Alliance remains Germany's most important security institution. It is imperative to revitalize the Alliance through strengthening European security cooperation. The United States also needs to assist in this task, and rely more on NATO and less on so-called "coalitions of the willing." A CDU/CSU government would be an ambitious but reliable alliance partner. Iraq might require further joint NATO action. The Alliance also might need to contribute to securing a Middle East peace agreement. The allies must collaborate to ensure the success of the upcoming elections in Afghanistan in September. Germany should also consider the question of increasing its troop deployments in Afghanistan to prevent its becoming a narco-state or reverting to Taliban rule. The same is true with respect to Kosovo.

UN Reform

The CDU/CSU fully recognizes the need to reform the United Nations. Restructuring the UN Security Council is an important issue, but it's only part of a broader reform package. The CDU/CSU wishes the current government well in pursuing permanent membership in an expanded 25-seat UN Security Council, but the key issue is making the United Nations as a whole function better. Moreover, the CDU/CSU also questions the political wisdom of the Schröder government's blunt and aggressive lobbying for a seat on the Council.

Relations with Russia, Iran, and China

The CDU/CSU wants to retain healthy ties with Moscow, but the German Chancellor should not have better relations with the Russian president than with the U.S. president. It is important to address and overcome existing threats to Russian democracy and human rights. European policy makers tend to overlook the problems of the Putin government, as manifested in the Yukos case. The OSCE is an important forum for raising the importance of the democracy and human rights issues. A CDU/CSU government would also be committed to continuing the EU-3 talks with Iran. If no settlement is reached with Tehran, however, Germany should consider making a joint request with the United States to refer this important issue to the UN Security Council. The CDU/CSU also strictly opposes lifting the EU's arms embargo on China. It successfully passed a resolution in the German Bundestag calling on Chancellor Schröder not to lift the embargo. The CDU/CSU recognizes the vital importance of this question for the United States—especially given the direct link to the Taiwan issue. It is not in Europe's interest

to deliver weapons system to China that could be used against the United States in a future conflict with China over Taiwan. Germany already enjoys close economic relations with China without lifting the arms embargo.