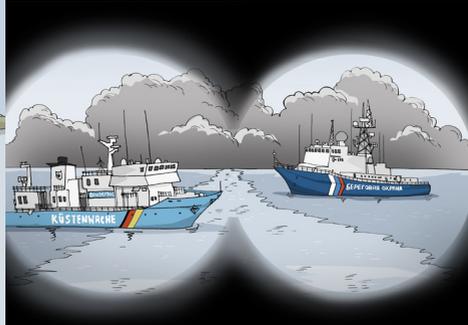
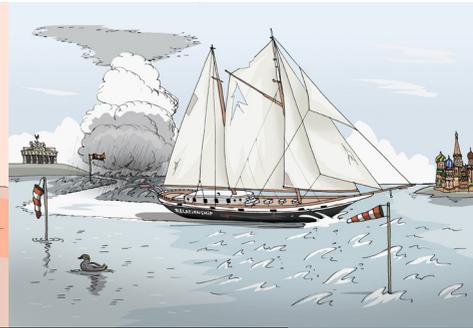


Germany and Russia in 2030

Scenarios for a Bilateral Relationship

Scenario Team DE–RU 2030



Friedrich-Ebert-Stiftung

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Scenarios for a Bilateral Relationship

Berlin 2013

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Executive Summary

Four scenarios on the state of German–Russian Relations in the year 2030 were developed by a bi-national Scenario Team. Scenarios do not attempt to predict the future, but offer different pictures of possible and plausible futures. They can be helpful in enabling decision-makers and stakeholders to adapt their strategies in order to achieve or avoid a certain scenario.

Scenario I: Cruise Liner – A Value-Based Alliance

In 2030, German–Russian relations are at their best in decades. Cooperation between the two countries is very close. Germany supports the Russian government in its political and economic modernization efforts. Both countries also work well together on security matters, particularly insofar as these are related to their common neighborhood.

Scenario II: Cargo Vessel – A Pragmatic Partnership

Relations in 2030 are characterized by pragmatism: common interests dominate, whereas value-based policies have lost their importance. Germany is at the helm of a bloc of European states that survived the disintegration of the Eurozone. Russia succeeded in building a Eurasian Union. Because NATO has lost importance since the United States is more focused on the Asia-Pacific region, Moscow and Berlin maintain close economic relations and share common security interests centered on the Balkans and the Middle East.

Scenario III: Coast Guard – A New Ice Age

Germany and Russia have turned their backs on each other by 2030. Russia is set on pursuing a decidedly anti-democratic track, having established a hardline foreign policy and cut off strategic ties with the West. The EU – and Germany in particular – have become harsher and more outspoken in their criticism of the Kremlin. But, given the new geopolitical landscape, this has had little effect on Russia, which has shifted economically and politically towards Asia.

Scenario IV: Sailing Boat – Business as Usual

The character of relations and the set of issues at their centre have remained essentially unchanged. A solid economic basis and fairly intensive societal contacts are still accompanied by a value divide between Russia and Germany. Relations are characterized by the usual ups and downs: minor crises bring value-related issues to the forefront and usually cause a downswing in relations, whereas interest-based realpolitik, although not uncontested, helps to overcome periods of more strained relations.

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Relations between Russia and Germany, historically close, have become the subject of intense discussions in both countries in recent weeks and months. Whereas in Germany, the debate has centered on the question of whether Germany's Russia policy was still based on the right premises, discussions in Russia concern the general strategic orientation of Russian foreign policy. Has the idea of a Russian–German modernization partnership failed, due to a perceived lack of modernization in Russia? And should Moscow, following the example of the United States, shift its attention away from Europe to the Asia-Pacific Region?

The Friedrich-Ebert-Stiftung (FES), the Ural Federal University in Yekaterinburg and the European University Viadrina in Frankfurt (Oder) jointly decided to try and put some flesh on this debate by launching the Scenario Project »Germany and Russia in 2030«. We asked: What are possible and plausible development paths for our mutual relations in the upcoming 17 years? What different futures, leaving aside wishful thinking, can be imagined?

Scenarios are not predictions. They do not deliver a forecast of the future, but they show what the future could be like if a certain path is taken. Thus, they provide policy-makers with food for thought. No more, but also no less.

The Friedrich-Ebert-Stiftung has gained quite a reputation in making use of the scenario methodology, applying it to various topics – from the future of economic policy in South Africa in the early 1990s, Global Economic Governance in 2009, the future of Bosnia and Herzegovina in 2012 to the fate of the Eurozone in 2013.¹ Experience from all these scenario projects has been drawn on in the current project.

We would like to acknowledge our appreciation to all the members of the Scenario Team who were so determined to make this project a success. The scenarios presented here are the product of their common intellectual efforts.

We would also like to express our gratitude to the many people involved in this project: Rector Victor Koksharov and Ruslana Prosviryakova from the International Department of the Ural Federal University, Professor Timm Beichelt and Mady Gittner of the European University Viadrina, our colleagues Olga Gladushevskaya and Kerstin Richter at the FES in Moscow and Berlin, and, last but not least, Winfried Veit, who, as an experienced facilitator, has guided the team safely through the process.

¹ See, for example, Scenario Team Eurozone 2020 (2013): Future Scenarios for the Eurozone. Berlin: Friedrich-Ebert-Stiftung; available at: <http://www.fes.de/lnk/nz> (last accessed on 13.6.2013).

The former Ministers of Foreign Affairs of the Russian Federation and the Federal Republic of Germany, Igor Ivanov and Frank-Walter Steinmeier, have agreed to take the project under their patronage. We are sincerely indebted to them.

All errors in the publication are the sole responsibility of the editors.

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Background – What Are Scenarios, What Not?

The best-selling German novel of the year 1913 was a book called »Der Tunnel« (The Tunnel) by Bernhard Kellermann. It is a classic piece of science fiction, a story of the epic construction of a giant tunnel below the Atlantic Ocean, linking Europe and America. Difficulties encountered in the process are enormous, accidents are numerous, workers revolt, but in the end, after 26 years, the tunnel is completed – only to be technically outdated the next day: Airplanes have, in the meantime, become the more time and cost efficient means of transportation.

The episode illustrates that, 100 years ago, there already was an acute awareness that forecasting the future is a very delicate matter. Not only technologies, but also societies develop often in unexpected ways. But decision-makers in all areas have to ground their actions of today on assumptions on what tomorrow could be like. One way to deal with the problem of predictions being more likely false than true is to engage in the intellectual exercise of scenario-building. Originally an instrument of military planning, the scenario method enjoys increasing popularity in business and politics. Rather than reflecting on the most likely future, scenario builders discuss a number of different futures and think about plausible pathways leading to them. They constantly keep alternatives as well as potential critical junctures in mind. The resulting scenarios do not provide a blueprint for future decisions. However, they can serve as a basic guideline to decision-makers, indicating what kind of actions could enhance the likelihood of one scenario materializing, and what should be done in order to avoid another.

The history of both Germany and Russia is rich in unexpected twists and turns and, accordingly, it is full of false predictions. Both the sudden collapse of the Soviet Union and German reunification are cases in point. Scientists, like most other people, tend to overestimate current trends and events and are, therefore, tempted to simply extrapolate them. To understand the challenge facing the Scenario Project »Germany and Russia in 2030«, it is very instructive to imagine a scenario exercise discussing different futures for German–Soviet relations taking place in 1984. Would there have been a scenario entailing the disappearance of nearly all socialist states in the course of less than a decade?

The decision to engage in this project was taken precisely against this background. The public debate on bilateral relations between the Russian Federation and Germany is often characterized by a lack of creativity and a long-term perspective. The overall goal of the project is to enrich this debate by providing new perspectives.

Germany and Russia in 2030 – Building Scenarios

The Scenario Team was composed through an open call for applications in January 2013. Participants had to meet three criteria: They should be older than 18, residents of either Russia or Germany, and they should be fluent in the English language to make communication easier. Specific expertise concerning Russian–German relations was not a criterion, as it was the stated goal to compose a Scenario Team that would be as heterogeneous as possible concerning professional, academic and regional backgrounds, as well as age, sex and political orientations. More than 80 applications were submitted, out of which 20 participants were selected. One participant left the project after the first seminar.

The scenarios were built in three stages, split over two workshops taking place in Yekaterinburg in March and in Frankfurt/Oder in April 2013. Following the approach that was developed at the Shell oil company, the three steps were named orientation, building and affirmation. The goal of the *orientation* phase, carried out in Yekaterinburg, was to define the issue at stake, to discuss the present state of affairs and to identify the »driving forces« that shape German–Russian relations. »Driving forces« are those variables that push developments in one or the other direction. After a long discussion, the team agreed on eight driving forces listed in the box on this page. Moreover, critical uncertainties were identified. These are events that would fundamentally transform the relationship. They seem very unlikely, but have to be taken into account – in fact, during the process, the Team decided to take one critical uncertainty as the starting point for one of the scenarios. In the *building* stage, different stories were made up by individual members of the Scenario Team – stories that would describe the state of relations in 2030. From these, outlines of future scenarios were derived and elaborated in working groups. The write-up of the draft scenarios was carried out in March and April. The *affirmation* stage took place in Frankfurt/Oder at the end of April, where the scenarios were tested with regard to plausibility and consistency, and then affirmed by every single member of the Scenario Team.²

»Driving Forces« of German–Russian Relations

- (1) Trade and Energy Relations
- (2) Economic Modernization of Russia
- (3) Political Developments inside Russia
- (4) Future of the European Union
- (5) Security Issues
- (6) Climate Change
- (7) Global Shift to Asia
- (8) Common Neighborhood of EU and Russia

»Critical Uncertainties«

- (1) Disintegration of the Russian Federation
- (2) Breakup of the European Union/Eurozone
- (3) Regional Wars
- (4) Deep Economic Crisis

² For further information on the methodology see Veit, Winfried (2012): Political scenario planning: Short Guideline, in: Paul Pasch (ed.): *Bosnia and Herzegovina 2025: Scenarios on Future Developments*. Sarajevo: Friedrich-Ebert-Stiftung; available at: <http://www.fes.de/lnk/sh> (last accessed on 13.6.2013).

All Scenario Team members, who participated in a personal capacity and not as representatives of any institutions, were encouraged to think outside the box of conventional wisdom and to disregard taboos. Long and controversial, but eventually very fruitful discussions ensued. The participants, despite their differing and partially contradictory positions, managed to agree on four possible scenarios for the future of German–Russian relations, symbolized metaphorically by different types of ships. Thus, the scenarios are necessarily a compromise. They might seem improbable, even undesirable to members of the Scenario Team as well as to the reader, but it should not be possible to prove them impossible.

Felix Hett



Germany and Russia in 2030: Four Scenarios

Scenario I: Cruise Liner

A Value-Based Alliance

Russia and Germany move on together – at high speed

The state of relations in 2030

In 2030, German–Russian relations are at their best in decades. Cooperation between the two countries is very close. Germany supports the Russian government in its political and economic modernization efforts. Both countries also work well together on security matters, particularly insofar as these are related to their common neighborhood in Eastern Europe and in dealing with common threats from the arc of crises in the South.

The road to 2030

The severe economic and financial crisis continued in many parts of Europe in the years after 2013. At the same time, the shale gas and shale oil revolution in the United States and heavy investment in LNG facilities contributed to a substantial shift in global energy markets and set free downward pressures on prices. These tendencies were reinforced by negotiations on future cooperation in climate change mitigation on the international scene due to the awareness of its devastating consequences. As a result of all these factors, the use of fossil fuels was drastically reduced and oil prices dropped heavily. This led to shrinking state revenues in Russia and the government was forced to introduce an austerity agenda, with heavy cuts in social budgets, such as reducing old age pensions.

To avoid large-scale social conflicts and to soften opposition groups, the government promised political reforms, which, however, remained piecemeal, as powerful groups within the bureaucracy and the political establishment blocked real progress. Faced with cuts in income and retirement benefits, workers, pensioners and others poured into the streets and a broad social movement evolved, gradually turning in a political direction, asking for an end to traditional leadership and corrupt practices. Reinforced by generational changes, progressive, reform-minded groups within the elites gained prominence and eventually took the helm. A charismatic opposition leader was elected president.

The new government introduced a number of measures aimed at economic modernization through the implementation of fundamental reforms. These included fighting corruption, establishment of the rule of law, developing clearer economic regulations,

attracting foreign direct investment also by clarifying landownership, supporting the creation of startups and small and medium-sized companies and investing in science and education. This led to a climate of innovation. In particular, the reform of the high technology and industry sectors contributed to a turnaround and the return of economic growth. On the political level, steps towards democracy were made with serious undertakings towards free and fair elections, freedom of media and nongovernmental organizations, and protection of human and minority rights. With changes in both the economic and political environment in Russia, tensions between Berlin and Moscow started to evaporate. Germany considered a democratic Russia to be a reliable partner, opening up the option for Berlin to combine a value-based foreign policy approach with economic and security interests. The level of rapprochement between the two countries was indicated by the fact that Berlin was the destination of the new Russian president's first foreign visit.

The long and sometimes painful reform process in Russia was threatened now and again by traditional elites seeking alliances with populist, nationalist and communist movements and leaders. Such challenges to the reform government were met by the equally determined efforts of the people, who took to the streets time and again to protest and pressure, their movements ever better organized and more skillful. In order to fulfill its reform promises, the government needed foreign assistance and found this mainly in Germany, which emerged from the long crisis in Europe as the leading economic and political power within the European Union. Thus, Germany became Russia's major ally in its modernization efforts. It supported the green technology sector in Russia with pilot solar energy projects in the south. Joint scientific research led to progress in the development of Russian agriculture, focusing on new land in southern Siberia and the cultivation of energy plants. This led to both improved standards of living for the rural population and increased competitiveness on international markets, and enabled Russia to find new export destinations for agricultural products, especially in China and other Asian markets. In combination with growing exports of high-tech and IT goods, this helped to replace Russia's oil exports, which now were mainly oriented towards Asian countries.

The measures of the new Russian government facilitated a climate of trust and stability that led to a considerable increase in German (and other foreign) investment. A new Volkswagen plant was opened by the Russian president. An agreement on technical standards was concluded and negotiations on a free trade agreement with the European Union started. Also, at Germany's initiative visa regulations between Russia and the EU were abolished and a free travel regime stretching between Lisbon and Vladivostok instituted. A vast exchange programme between the two countries included young people, students, researchers, business people and parliamentarians and further

fostered mutual trust and cultural exchange. The education system in Russia improved significantly due to new government priorities and stronger financial support. Russia moved closer to Europe and Europeans became less distrustful of Russia as common initiatives dealing with problems such as drug and human trafficking, money laundering and mafia-linked activities proliferated.

In the field of foreign and security policy, the atmosphere of mutual trust led to closer cooperation on security matters, reinforcing the NATO-Russia Council and creating a joint missile defense system. This development became possible once the US leaned more and more towards the Asia-Pacific region and the Central European states of the EU gradually lost their traditional distrust of Russia following the strengthening of its democratic processes. Stabilization and conflict-prevention measures in the joint neighborhood of Eastern Europe and Black Sea regions under the umbrella of OSCE were carried out and Russia became a second patron of the Eastern Partnership in view of its own aspirations towards closer cooperation with the EU and NATO. At the same time, Russia and NATO worked together to solve the frozen conflicts at the southeastern fringe of Europe and to cope with the ongoing nuclear and terrorist threats. The Middle East Quartet of the UN, USA, Russia and the EU was revived, putting pressure on the conflict parties to finally implement the Middle East roadmap to peace.



Germany and Russia in 2030: Four Scenarios

Scenario II: Cargo Vessel

A Pragmatic Partnership

*Germany and Russia operate a joint cargo vessel,
which from time to time has to cross troubled waters*

The state of relations in 2030

Russian–German relations are characterized by pragmatism: common interests dominate, whereas value-based policies have lost their importance. Germany is at the helm of a bloc of European states (»Core Europe«) that survived the disintegration of the Eurozone as a result of the economic and financial crisis that deepened in the years after 2013. Russia succeeded in building a Eurasian Union based on both her economic and security interests in the region, while joining countries were attracted by Russia's offer of stability in an increasingly uncertain and unpredictable global landscape. Because NATO has lost importance since the United States is more focused on the Asia-Pacific region, the blocs, led by Moscow and Berlin, maintain close economic relations and share common security interests centered on the Balkans and the Middle East.

The road to 2030

Despite all the efforts of the European Central Bank and the European Stability Mechanism, the economic and social crisis that gripped southern Europe in the second decade of the twenty-first century only deepened and led to societal ruptures, as evidenced by persistent widespread mass protests. Populist parties came to power, leading Greece, Italy, Cyprus and other countries into insolvency and out of the Eurozone.

Deeply shocked by these developments the political elites in Germany unified behind a new integration philosophy of »going deeper with fewer members«, setting a federal European state as the new target. The disintegration of the Eurozone and the construction of the Core Europe Union were accompanied by a clear message: sharing of values matters only for those who participate in a joint state building project. To those who remain outside the project, interest-based realpolitik dominates. This attitude was shared by the overwhelming majority of the German political class, whereas a minority as well as civil society organizations continued to stress a value-based approach in foreign affairs, but with little effect on the foreign policy direction of the newly emerging Core Europe Union.

This Union consisted of Germany, France, Poland and some smaller states and kept the euro as the common currency. Thus, a smaller but more efficient Union emerged and the goals of the European Constitutional Treaty of 2005 were finally met and enshrined in a constitution that emphasized full-fledged political, economic and monetary integration, high accession standards for candidates and a primarily interest-based foreign policy. A wider European Union still existed, but merely as a loose association threatened by the protectionist and beggar-thy-neighbor-policies of some member states.

The break-up of the original Eurozone put much of Europe into an economic crisis. Although Germany as the strongest economy was less affected, it certainly felt its impact when its export markets in Southern Europe broke down. Economic recession, higher unemployment and decreasing energy demand led to decreasing oil and gas prices in Europe, affecting Russia's exports, as they were still mainly based on the energy trade.

Consequently, Russia intensified its relations with Asia by shifting more and more of its exports to China, whose demand for fossil fuels and agricultural resources only continued to grow, in line with its consistently strong economic performance. Private and state-owned Asian companies were able to secure long-term energy and agricultural contracts while, in turn, providing much of the necessary financing for investment in new roads, railways, communication systems and other infrastructure in Siberia and other parts of Russia.

The availability of project financing from Asia freed funds for the increased modernization efforts in the Russian manufacturing and service sectors. National and foreign investment in these areas resulted in higher demand for high-tech equipment and know-how that was met by Germany, which, in looking for new markets to replace the southern European ones it had lost, became a major partner of Russia's modernization programme. Thus, Germany and Russia intensified their economic relations and concentrated on key areas such as information and communication technology, automobile manufacturing, drilling technology, energy efficiency and advanced agricultural development. The intensification of German–Russian economic cooperation happened despite the fact that the new modernization strategy in Russia followed a predominantly authoritarian path that restricted people's participation and limited democratic institutions.

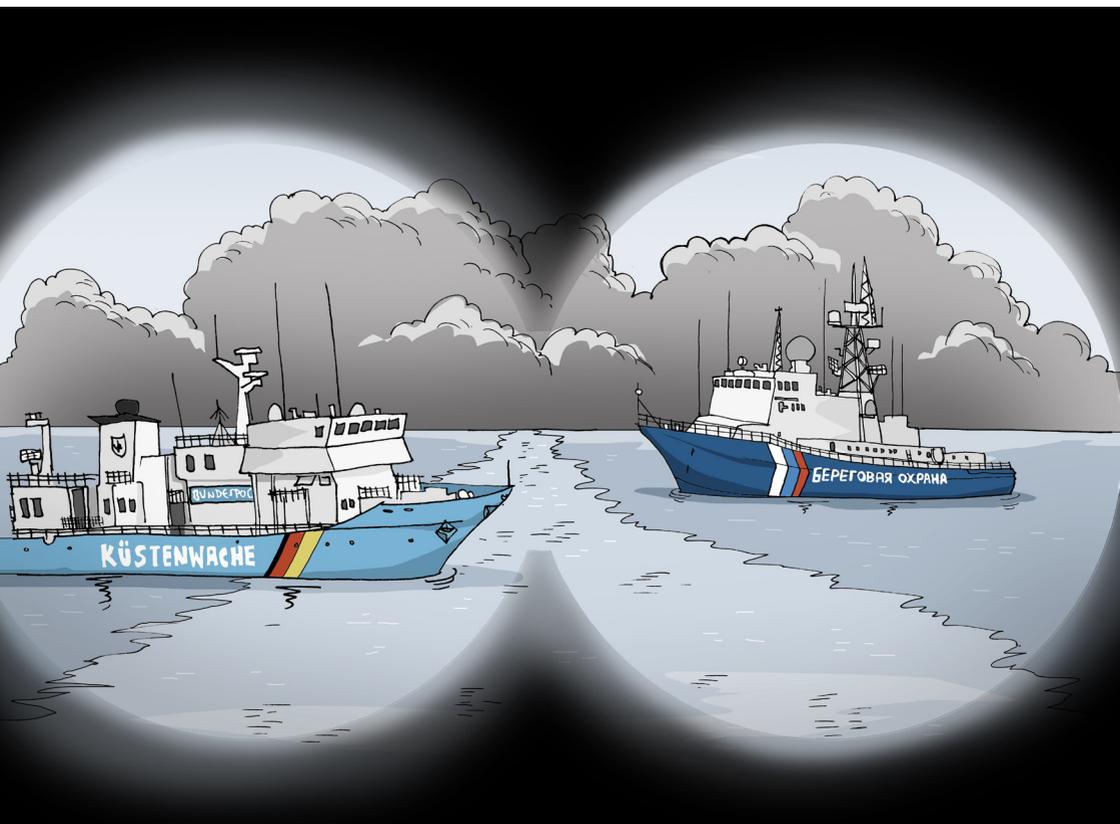
An important factor that made Germany and the other Core Europe member states accept political developments in Russia without criticism was the fact that Moscow had become a stabilizing factor in the Eurasian region. Following its newly gained economic strength Russia succeeded in establishing the Eurasian Union, coalescing integration

mechanisms such as the Commonwealth of Independent States, the Customs Union and the Eurasian Economic Community into a union with common economic, political and security institutions that were interested in pursuing a joint approach in international affairs. At first, this union comprised (apart from Russia) most of the Central Asian states, Belarus and Armenia, but soon began to attract other Caucasian and Eastern European countries as well, especially as the disintegrating European Union steadily lost its appeal and became incapable of integrating new members. After Ukraine and Georgia joined the Eurasian Union in 2022, Bulgaria and Serbia closely associated with it. Soon afterwards, a Free Trade and a Visa Liberalization Agreement were struck with the Core Europe Union.

Following the disintegration of the Economic and Monetary Union and the weakening of the EU, and as military budgets continued to shrink under the constraints of austerity policies, Europeans became unable and unwilling to play a global role in world affairs. Europe's soft power stopped being a major factor in worldwide peacekeeping missions, and even the Core Europe Union around Germany had to reduce its contribution to NATO and UN operations, thus increasing the financial burden of the US and leading to further alienation from former allies. At the same time, the shale gas and oil revolution made the US one of the major producers of gas and oil, reducing its dependence on Middle East resources. Consequently, the US lost interest in the Middle East and turned to the promising markets of Asia and the Pacific. Washington only kept some military bases in the Western Balkans and the Eastern Mediterranean in order to guarantee Israel's security and preventing Iranian nuclear aspirations.

These developments – the US withdrawal from Europe and the Middle East and European weakness in security matters – led to a grey zone of instability in South Eastern Europe and threatened to leave the Middle East without any stabilizing external forces. Russia remained the key power with the capability to intervene in conflicts in this area, whether by soft power or military means. This brought about close security cooperation between Turkey and Russia in the region, where falling oil prices led to a shaky political situation. The two managed to prevent a war between Armenia and Azerbaijan and, subsequently, moved closer to deal with other security conflicts.

Germany and the Core Europe Union had no choice but to accept this new geopolitical reality and to attempt to maintain a modicum of influence in these regions by establishing close security cooperation with Moscow.



Germany and Russia in 2030: Four Scenarios

Scenario III: Coast Guard

A New Ice Age

*Germany and Russia are sitting in different boats,
suspiciously eyeing each other,
like two coast guard vessels from opposite shores*

The state of relations in 2030

Germany and Russia have turned their backs on each other. Russia is set on pursuing a decidedly anti-democratic track, having established a hardline foreign policy and cut off strategic ties with the West. The EU, and Germany in particular, have become harsher and more outspoken in their criticism of the Kremlin. But, given the new geopolitical landscape, this has had little effect on Russia, which has shifted economically and politically towards Asia.

The road to 2030

From 2013 onwards, Russian political elites were faced with a decline in popularity and legitimacy, and subsequently felt the need to reclaim control over the country. A growing discontent among the educated urban middle class led the government to institute an uncompromising crackdown on dissent and any forms of emerging protest. Control over civil society was gradually tightened. Independent media outlets were forced to shut down and foreign and domestic political NGOs were either expelled or continuously harassed by the authorities. The opposition movement had gone almost completely underground after its leaders had been imprisoned or forced to flee the country.

The deterioration in Russia's domestic political situation had a negative impact on the country's economic and business climate. This included a drop in foreign direct investment, continued capital flight and shrinking government revenues. The economic decline further undermined Russia's already fragile social welfare system and slowed the growth of personal income. This led to some outbreaks of social unrest, which, however, were quickly subdued by security forces.

To quell public discontent and consolidate the nation, the Kremlin introduced an official doctrine based on nationalist sentiments and the notion of a unique Eurasian-Russian civilization. The Russian Orthodox Church, state propaganda and a number of pro-government youth and social organizations were used to instill anti-Western views. To

further secure public support and ensure regime survival the president launched a campaign against some oligarchs who had shown signs of disloyalty towards the authorities, nationalized major industries, squeezed out Western investors from strategic sectors and centralized the economy. This ended all prospects of modernization, particularly in light of the brain drain caused by massive emigration on the part of the educated middle class. By that point, the only source of revenue that sustained the economy was the export of oil, gas and other raw materials.

Being able to offer tangible benefits in the form of low energy prices and privileged market access to some of its neighbors, Russia had succeeded in forming the Eurasian Union, comprising Belarus, Armenia and some Central Asian states. Significant parts of the former Soviet Union were thus effectively under Moscow's control. The new Union re-oriented its external trade towards Asia, where especially Russia managed to find new markets for its energy exports. Politically, Russia from time to time struck tactical alliances with China in matters of global importance.

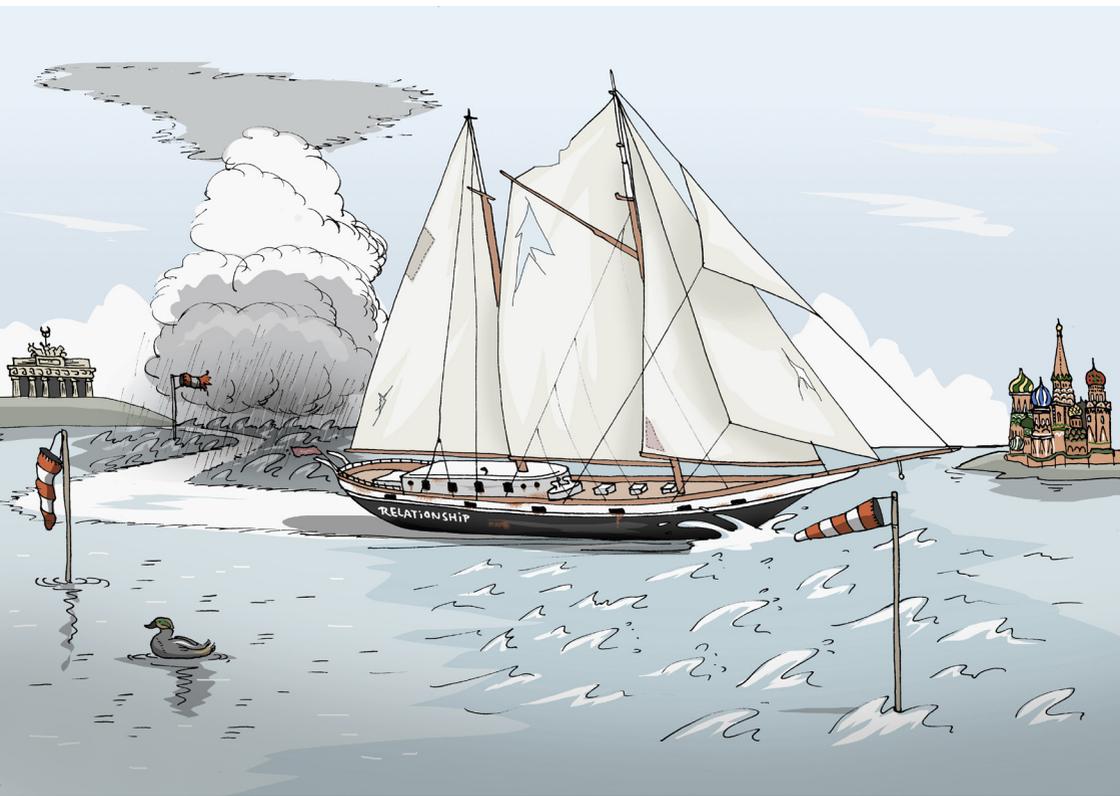
These developments put a serious strain on Russia's once-cordial relationship with Germany. By that point, Germany had successfully diversified its oil and gas imports and reduced its dependence on Russian energy. The importance of the Russian market as a destination for its technology and manufacturing goods had also dwindled due to the strong growth of German exports to the markets of East Asia and Latin America. This provided Berlin with the freedom to openly condemn Moscow's domestic policies.

Germany's more assertive, value-based foreign policy towards the Kremlin found the backing of a stronger and economically restored European Union, including closely allied Ukraine and Moldova. A number of EU members, particularly in Northern and Central Europe, joined Berlin in its stance against Moscow. Together, they passed visa bans against top Russian officials accused of human rights abuses and corruption, following the US example of the so-called Magnitsky Act. European countries strengthened their support for embattled civil society and independent media in Russia. At the same time, the European Commission blocked all attempts of Russian energy companies to gain a significant market position within Europe.

These efforts, however, proved to have no effect on Russia's domestic political landscape. When yet another presidential election in Russia was criticized as fraudulent by independent observers, and when state authorities cracked down brutally on protesters demanding a fair vote, Germany took the initiative to impose a set of tough EU sanctions against Russia. The Kremlin retaliated by suspending its budget contributions to the Council of Europe and the Organization for Security and Cooperation in Europe, effectively withdrawing its participation in these and other multilateral forums.

Over the next few years tensions reached such a point that NATO reinforced its security guarantees to Central European members, including an enhanced navy and air force presence in the Baltic Sea region and the deployment of an effective missile defense system in Poland, Romania and the Czech Republic. In response, Russia enhanced its Baltic and Black Sea fleets and held large-scale military exercises in the region.

Similar to the old Cold War situation before the dismantling of the Soviet Union, in 2030 two power blocs confront each other and German–Russian relations have entered a new ice age.



Germany and Russia in 2030: Four Scenarios

Scenario IV: Sailing Boat

Business as Usual

*German–Russian relations sometimes catch a good wind,
find themselves in a calm in others
and can even be blown backwards from time to time*

The state of relations in 2030

The character of relations and the set of issues at their centre have remained essentially unchanged. A solid economic basis, with the energy trade as a key driver, and fairly intensive societal contacts are still accompanied by a value divide between Russia and Germany. Relations are characterized by the usual ups and downs, often related to the emergence of new political leaders. Names and faces change, but the essence is barely altered. Minor crises bring value-related issues to the forefront and usually cause a downswing in relations, whereas interest-based *realpolitik*, although not uncontested, helps to overcome periods of more strained relations.

The road to 2030

German–Russian relations are driven mainly by economics, with the energy trade still having a major, albeit steadily diminishing, role. The German project of the *Energie-wende*, the switch of the country's energy supply from oil to renewables, was successful only in some aspects, and the »shale gas revolution« so much talked about in 2013/14 did not materialize. Russian gas remains an important part of the German energy mix. As for Russia, energy and raw materials remain the main export commodities, with oil and gas still making up more than 50 per cent of Russian exports. The diversification of the Russian economy has been successful only in some respects. Efforts to develop high-tech industries bore little fruit.

In order to speed up economic growth and sustain social stability, Russian elites realized the need to once again increase technical modernization efforts. Also making use of hidden protectionist measures that led to conflicts within the WTO and with German exporters, some parts of the Russian manufacturing sector developed quite well. As a result, enclaves of a modernized economy began to emerge by 2020, especially in the European part of the country and in the Urals. Targeted efforts by the Russian government have led to relatively well developed automobile and railroad equipment industries and a flourishing IT sector in urban centres. On the other hand, large regions of Russia remain in a very depressed state and continue to suffer from depopulation.

Largely thanks to China's ability to sustain its economic growth, Siberia and the Far East of Russia have developed as suppliers of resources and agricultural products for the Chinese market. Vast new areas in the East are under the plough. As a consequence, new business groups closely associated with federal political authorities have developed in Russia's »Wild East«, thus stabilizing the hybrid political system of »managed democracy«.

The internal political situation in Russia, and to some extent in Germany as well, is another major driver of relations. The Russian political class has developed a method of presidential succession which was critical in preserving the basic power model up to the year 2030. The president made way for a younger successor in 2018, causing some in Berlin to hope that this would open the window for a new period of democratic reforms. Although there was some progress at the local and regional levels, with discontent in the enclaves of modernization accommodated by free elections, these hopes were subsequently disappointed. Federal election campaigns were characterized by lack of a level playing field in the state-controlled electronic media. Despite the generation change in Russian elites, value orientations and political attitudes have remained unchanged.

In Germany, politics has become less stable in general: with voters changing their party affiliation frequently, election results are increasingly harder to predict. Foreign policy plays a minor role in the day-to-day jostling and compromising between the parties – and if it comes into play, then only as a means of attracting support from a domestic constituency by advocating liberal values. As interest in Russia remains traditionally high, the political situation in Moscow is often the subject of this value discourse. In some respects, the discussion of human rights violations in Russia has become a ritual at high-level German-Russian summits, which, although not liked, is tolerated by the Russian side. An attempt to fundamentally reform the St Petersburg Dialogue by rebranding it essentially failed. Still, the dialogue of civil societies supposed to take place there is heavily dominated by government officials and business interests.

In foreign policy, the European Union has basically not managed to develop a comprehensive foreign policy by 2030, attributed by many to a widespread EU fatigue after the prolonged euro crisis was more or less solved by 2014/15. The nation state, and especially Germany, remains a relevant actor on the international scene. This matches the interests of the Russian foreign policy elite, who continue to prefer dealing directly with Berlin rather than taking the complicated and unclear way via Brussels. In Moscow, there has been no major foreign policy reorientation, as Russia as a middle-income country can still not live up to its ambitions of being a global power. There is some more interest in, but no major turn to Asia, as China sees Russia more as a junior partner due to the rather weak economic positions of its Asian areas.

The Common Neighbourhood of the EU and Russia, most notably Ukraine and Moldova, remains a bone of contention in German–Russian Relations. After a change of leadership in Belarus around 2020, the new Belarusian president started to distance himself from Russian dominance and achieved a restructuring of the Eurasian Economic Union, which was consequently rebranded as the Eurasian Economic Alliance, with Russia, Belarus, Kazakhstan and Kirgizstan as its core members. The Ukrainian leadership, having finally managed to put the EU Association Agreement into force after a long process of ratification in the EU in 2019, from time to time, when it seems economically attractive, starts negotiations with the Eurasian Economic Alliance (EEA) on a sort of associated membership. The EU position, strongly backed by Berlin – and leading to tensions with Russia – is that any form of association with the EEA would be legally incompatible with the Association Agreement. In essence, the tug of war between Russia and the European Union over the common neighbourhood that was already noticeable in 2013 continues up to 2030, without a clear result. From time to time, it negatively affects the climate between Russia and Germany, but having become a sort of ritual as well, it does not manage to spoil relations completely.

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Abbreviations

EU	European Union
IT	Information Technology
LNG	Liquified Natural Gas
NATO	North Atlantic Treaty Organization
NGO	Non-Governmental Organization
OSCE	Organization for Security and Co-operation in Europe
USA	United States of America
UN	United Nations
WTO	World Trade Organization

Germany and Russia in 2030 – Overview of the Scenarios

	I – Cruise Liner	II – Cargo Vessel	III – Coast Guard	IV – Sailing Boat
Russia (RU)				
<i>Form of government</i>	Liberal democracy	Managed democracy	Autocracy	Managed democracy
<i>Elites</i>	Interest & value oriented	Interest oriented	Value oriented (Eurasianism)	Interest oriented
<i>Economy</i>	Diversified, liberal modernization	Slowly diversifying, authoritarian modernization	Resource-based	Resource-based, with some enclaves of modernization
<i>Energy prices</i>	Low	Decreasing	Decreasing	Volatile
<i>Major economic partner</i>	EU	Core Europe	Asia-Pacific	EU
<i>Regional integration initiatives</i>	No own initiatives	Successful	Successful	Partially successful
Germany (DE)				
<i>Form of government</i>	Liberal democracy	Liberal democracy	Liberal democracy	Liberal democracy
<i>Elites</i>	Interest & value oriented	Interest oriented	Value oriented (human rights)	Interest & value oriented
<i>Economy</i>	Diversified, high global demand	Diversified, low global demand	Diversified, high global demand	Diversified, high global demand
<i>European Union</i>	Efficient; enlarging	Defunct; »Core Europe« under German leadership	Efficient; enlarging	Partially efficient, no enlargement
German–Russian Relations				
<i>Trade</i>	Intensive, diversified	Energy for manufactured goods, with some diversification of Russian exports	Low	Energy for manufactured goods
<i>Investment</i>	High, in both directions	High, from Germany to Russia	None	Slow growth, in both directions
<i>Technology & science</i>	Intensive cooperation	Intensive cooperation	No cooperation	Limited cooperation
<i>Security cooperation</i>	Intensive	Intensive	None	Limited
<i>Common neighborhood</i>	Cooperation	No conflicts	Split into opposite camps	Contested
<i>Civil society contacts</i>	Intensive	Not relevant for scenario	Almost none	Slow growth
<i>Visa regime</i>	Abolished	Liberalized	Reinforced	Still in place



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