

## The Berlin–London Connection: From “No Frills” to “Full Service”?

Prospects for a New Bilateralism in EU Affairs

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**The German and British governments have lately been making overtures at one another concerning the deepening of their bilateral cooperation in European affairs. If the two are indeed to capitalise upon Gordon Brown’s political elevation, the available time frame is narrowing. The two countries’ apparent dissatisfaction with their current battery of bilateral relations, and the increasing commonalities in their respective European policy agendas, might thereby appear to suffice as catalyst. In reality, the factors that previously inhibited cooperation would not necessarily be overcome. These factors, which render Britain more likely to defect from the putative bilateral cooperation than their German partners, are by no means insuperable.**

With the enlargement of the EU to 27 member states, establishing alliances amongst the other member states has been confirmed as a key requirement for countries which aspire not only to agenda-set but also to guide their priorities through the policy process. Recent political developments in the UK have opened up new vistas for the German and British governments.

On 27<sup>th</sup> June 2007 Gordon Brown succeeded Tony Blair as British Prime Minister. The associated cabinet re-shuffle saw one of the Labour Party’s rising stars, David Miliband, introduced to the post of Foreign Secretary. However, only recently, with the principles of the EU Reform Treaty resolved at the informal October summit in Lisbon,

has the new administration taken the opportunity to set out its European policy priorities. Taken together, the publication in late October 2007 of the government pamphlet, *Global Europe*, and the Foreign Secretary’s speech on 15<sup>th</sup> November at the College of Europe in Bruges, provide concrete pointers to policy priorities.

The recent pronouncements of the Brown government confirm widespread commonalities in the agendas of the two governments. There is also some evidence that both governments are dissatisfied with their current pattern of bilateral relations in the EU. Certainly the more volatile approach to European policy practiced by France’s new President, Nicolas Sarkozy,

might pose difficulties for the stability of Britain's and, in particular, Germany's individual relations with their common neighbour.

Against this background, the highly symbolic visits to Germany paid by Brown and Miliband, coupled with the even more recent exchanges between European ministers of state, Günter Glos and Jim Murphy, have sent out strong signals for rapprochement. The stage appears to be set for an intensification of German-British relations.

### **Take Your Partners?**

In the context of European integration, bilateral cooperation between member states has served above all three purposes: firstly, on a day-to-day basis, to increase the constructive influence of the participating governments upon specific measures to be adopted by the EU. Secondly, to block unwanted policy developments. Thirdly, to identify new ways in which the EU can help solve cross-border policy problems, or intractable domestic ones. In line with this third aim, various bilateral partnerships have advocated European solutions, broaching new areas of cooperation and integration. Although Franco-German cooperation is often treated as *the* motor of European integration, it is not the only tandem to have performed such a role. The 1998 St. Malo agreement, a Franco-British partnership of Tony Blair and Jacques Chirac, pushed for what became the European Security and Defence Policy (ESDP).

Recent changes to the EU, in particular the expansion of membership to 27, mean that established modes of bilateral cooperation now appear less effective. It is questionable whether a large EU member state will today find that a *single* stable partnership allows it to give the desired impulses—or apply the brakes—to EU developments. For those states prepared to commit the resources, *multiple* bilateralism offers the means to exert influence where a single tandem relationship might once have sufficed. Ideally, this mode of sub-EU coopera-

tion maintains the flexibility of the bilateral relationship, while offering influence comparable to that associated with multilateral relations.

Both Britain and Germany have flirted with this mode of cooperation, albeit in different forms.

Blair, for example, deliberately encouraged bilateralism amongst his ministers as part of the 1998 “Step Change” programme, which was designed to boost the UK's imprint upon the EU. In practice, this bilateralism became associated with a pick-and-mix system of “promiscuous bilateralism”, which saw the British government forge loose coalitions around individual issues, including with the centre-right governments of Italy's Silvio Berlusconi and Spain's José María Aznar.

Historically Germany has preferred a greater level of commitment, as witnessed by its heavily institutionalised relationship with France. Nevertheless, Chancellor Angela Merkel has developed a reputation for brokering deals on a more ad-hoc basis with partners in the EU, first displayed with the medium-term financial perspectives deal concluded in December 2005 under the UK presidency. The skill was manifested most clearly when Germany held the Council presidency in the first half of 2007. The German government consulted its partners individually as a way of finding the necessary common ground following the member governments' two-year period of “reflection” on the EU's constitutional development. The resultant agreement at the June 2007 European Council paved the way for the Reform Treaty.

### **The State of British-German Relations and the Costs of Changing Them**

Germany appears to enjoy a more intense formal relationship not only with France, but also with other member states, such as Italy, Poland, the Netherlands and Spain. This cannot be put down to some kind of blanket aversion on the part of the British government to engage in formalised bilat-

eral relations with its EU partners: British relations with France, for example, are relatively institutionalised, and Franco-British summit meetings persisted under Blair even as the practice of British–German meetings was neglected.

Although annual summits between the British Prime Minister and German Chancellor were instigated from the 1980s, the practice has lost momentum and has failed to bear significant fruit. Notably the Blair–Schröder paper ahead of the 1999 elections to the European Parliament failed to enliven the relationship. Efforts undertaken in 2005 to revive this momentum were not followed through. Whilst previously viewing such meetings as providing a springboard for closer cooperation at other levels of government, by the end of the Blair era the German government seemed sceptical that they would yield anything of the sort. The German government’s scepticism comes in large part as a reaction to British reluctance to engage in institutionalised cooperation at other levels.

That said, there have been recent, if patchy, efforts in this direction—for example, the meetings on the economic dimension of European cooperation. The paraphernalia of the German Presidency has also provided a frame for greater cooperation. In the area of Justice and Home Affairs, for example, Home Office officials were seconded to the *Bundesinnenministerium*.

Any more resolute and meaningful strengthening of British–German relations would, however, not be without costs to the two participants. It would, for example, further constrain the UK’s practice of multiple bilateralism as ad-hoc coalition-building. More seriously, it would also appear antagonistic to the Franco–German relationship carefully cultivated since the inception of European integration. One of the perks for the French of their relationship with Germany is the influence that they can exercise upon substantial German preferences (Turkey; competition policy; Common Agricultural Policy). By the same token, one of the incentives for the British

to engage in closer cooperation with the Germans is to remove the Federal Republic from the French ambit on certain issues (enlargement; industrial protectionism; budget reform).

### **German–British Cooperation: the Factors for Success**

Three factors instinctively appear important as conditions for a strengthening of bilateral cooperation: firstly, an overlap in the two countries’ policy priorities; secondly, a complementarity in their respective styles of European policy and thirdly, each state’s dissatisfaction with its current pattern of bilateral relations in the EU.

The underlying logic is simple. Only if the two governments discover common European policy aims and complementary styles will they have an incentive to pursue the option of greater cooperation. These commonalities represent a necessary but not a sufficient condition for strengthening bilateralism. The other key ingredient is recognition that their existing pattern of European diplomacy needs enhancement.

### **Shared Policy Priorities?**

An examination of the policy priorities enunciated in the Brown/Miliband *Global Europe* paper is instructive. They are: promoting productivity and competitiveness; a modern European social dimension; external economic openness; reforming the EU budget; strengthening the EU’s “Global Approach to Migration”; tackling climate change and energy security; addressing terrorism and organised crime; creating stability in Europe’s neighbourhood and beyond; and tackling global poverty. In his Bruges speech David Miliband went as far as calling for the EU to become an Environmental Union, even raising the prospect of a European Carbon Bank setting carbon production limits in a similar way to the European Central Bank setting the money supply.

None of these objectives reveals immediate discord with the direction of German

European policy. Indeed, tackling climate change, poverty and Africa have been clear priorities for Chancellor Angela Merkel. Energy policy, economic competitiveness and external openness and further single market reforms also find reflection in German European policy.

### **Respective Styles of European Policy**

Most analysts agree that more abstract factors also play a role. Various aspects of the two governments' respective *styles* of European policy appear significant.

The enabling role that could be played by the two government heads themselves has received particular attention. It has, for example, been noted that both governments are used to working with each other on the day-to-day politics of the EU on an administrative level. There is great mutual respect. Nevertheless, the potential for collaboration between diplomats and home civil servants of the two states will not be realised without being given a political lead.

Differences of style between the two leaders are, however, clear. Gordon Brown's ten years as Chancellor of the Exchequer revealed him to have little facility for the EU's multilateral arenas and a predilection to lecturing his European counterparts rather than finding common cause with them. Angela Merkel, by contrast, adapted very swiftly to successful brokerage in the European Council.

On a personal level, though, Merkel and Brown share attributes which might help the development of better relations. Both have completely different styles from their respective predecessors. They are, most strikingly, less charismatic personalities. Brown and especially Merkel are not tainted by the bilateral strains arising over the intervention in Iraq. Both display a pragmatic but analytical political style. Both share values, such as on combating poverty and on justice and human rights that are doubtless influenced by the importance of the church to their family backgrounds.

Another important aspect of the two countries' respective styles of European policy concerns the question of the degree to which the state in question formulates its national interests in European terms. UK governments have given greater prominence to the national interest understood in narrow terms and have formed blocking alliances which have contrasted with more constructive German efforts.

Since German reunification, however, commentators have been quick to diagnose the long-expected return of national interests to the Federal Republic's European policy. They talk of the beginnings of a "normalisation" (Schweiger) or "de-euro-peanisation" (Hellmann) of policy. At the same time, British policy under Blair also showed signs of "normalisation": further cooperation in any particular area was no longer to be viewed as automatically anti-thetical to the British interest, allowing the government to promote the British interest in a less defensive manner. Although this "normalisation" has not fully materialised on either side, complementarities appear to have grown significantly since the early 1990s.

The final aspect of salience is the time-range of the countries' policy focus. The UK's lack of long-range thinking in European policy has sustained its propensity for short-term, ad-hoc coalition-formation and thus the promiscuous bilateralism which precludes firm relations with Germany. Although the British government has pushed the EU agenda forward in ways that have long-term repercussions, it has often done so in an ad-hoc manner rather than as part of a coherent long-term vision for the EU.

For many critics the St Malo initiative in European security policy came as a short-termist, defensive reaction to Britain's opt-out from EMU, and a desire to offset the more general political marginalisation that this might entail. More recently, its initiation of the Global Approach to Migration in 2005 was conditioned by its reluctance to see further integration in the "internal dimension" of migration policy. Politically

marginalised because of its pick-and-mix attitude to Justice and Home Affairs cooperation, full engagement with the “external (or foreign policy) dimension” proved a way out.

For Britain under Brown there is a clear incentive to change this policy approach. Successive British governments of both political colours have often felt ill at ease during episodes of institutional/constitutional reform as well as open to attack from Euro-sceptic parts of the print media. After an initially positive approach to the Convention on the Future of Europe, the Blair government, and latterly its successor under Gordon Brown, found itself defending red lines and making political use of opt-out and opt-in mechanisms in a manner reminiscent of the Major government at Maastricht. This pattern of diplomacy was not the forward-looking approach to Europe that was a component of “New Labour’s” policy agenda in 1997. Although the UK has sometimes been presented as the “winner” in recent Treaty reforms, it is highly questionable how effective this approach is and whether it does not have a heavy toll on British influence in everyday policy-making. The Brown government’s re-opening of existing agreements as part of finalising the Reform Treaty, for instance through opt-outs and opt-ins on Justice and Home Affairs, was not perceived in Berlin as indicative of a reliable partnership. Against this background, the *Global Europe* pamphlet may mark a shift to constructive, long-term thinking.

### Looking for Alternatives?

In German political circles one can certainly identify unease with the federal government’s overweening focus on one country in its pattern of bilateral relations. This dissatisfaction is in large part linked to the French paralysis over the EU Constitutional Treaty and its intransigent pursuit of its own priorities within the German–French tandem. Even if the failed referendum in France may not have heralded a wholesale U-turn in French European policy that some

expected, it resuscitated long-apparent tensions in the Franco–German relationship which the greater institutionalisation of cooperation from 2003 could not paper over. The long-standing institutionalised partnership remains but there are striking areas of ambiguity about where interests are shared, particularly on economic policy.

Within the British government too there is concern about the effectiveness of previous bilateral strategies. According to Blair’s 1998 “Step-Change” announcement in British European policy, its core strategy of “new bilateralism” was to be rooted in a permanent process of contact-building by British ministers and civil servants with their counterparts in other member states. In fact, it transpired to consist less of a long-term strategy of fostering relationships than a repeated tactic of on-the-spot alliance-building. Single-issue alliances were formed *ad hoc* and seldom transmuted into lasting relationships.

The practice prevented Britain from giving its initiatives the lasting guidance they required. For example, although the Lisbon Agenda may owe its beginnings to British activism, its stalling can be put down in no small measure to a British failure to nurture it over the long term. This mode of bilateralism is out of step with the apparent shift to long-term thinking that the *Global Europe* pamphlet heralds.

With this shared dissatisfaction with the state of their existing bilateral relations, the last of the conditions for a strengthening of German–British relations appears to have been met.

### An Unequal Partnership: Concrete Steps towards a Cementing of Relations

The logic of the argument so far has been that German–British cooperation will ensue if the two countries find themselves unhappy with their current pattern of bilateral relations and discover overlaps in the substance and style of their European policy. It is compelling. But does it hold water?

The question of the *institutionalisation* of their bilateral cooperation has proved a particular sticking point for German–British relations no matter the overlap in the two countries’ respective agendas or their dissatisfaction with their current bilateral arrangements. British governments have been reluctant to enter into an institutionalised relationship with their German counterparts. Without their prospective partners showing some willingness in this direction, German governments in turn appear unwilling even to take the first steps towards meaningful cooperation. Both sides apparently put this disagreement down to differing national constitutional cultures which are unlikely to be overcome. In actual fact, the disagreement offers important clues about the true blocks to British–German cooperation and the means of overcoming them.

Cooperation experts have spent much time pondering the “prisoner’s dilemma”. This describes how, whilst two parties cooperating can achieve a common good, they can gain a good—albeit a lesser one—at a much reduced cost by unilaterally defecting from an agreement and leaving their partner to fulfil it alone. Since both parties have a strong incentive to defect from an agreement, the most likely outcome of cooperation is mutual defection. The question arises, then, how successful cooperation ensues amongst self-interested actors.

Three basic answers have been put. Firstly, that the actors bind themselves to an institutionalised structure in which the terms of cooperation are clear, and sanctions may be enacted in cases of defection. Here, though, the same question arises about why self-interested actors should tie their hands in such a manner. The second response is that actors have an eye to the future: the desire to safeguard the option of jointly realising future common goods means that actors are prepared to fulfil the present agreement. Thirdly, it has been argued that the intervention of a mutual “friend” can foster relations: defection from any agreement will then damage the two

countries’ more established relations with the fixer. More recently, a fourth explanation has been given, namely that the actors are not in fact motivated by narrow self-interest, but are rather genuinely committed to the common good.

The German government’s desire to institutionalise their relations with their British counterpart points to their awareness that the proposed partnership would otherwise be an unequal one: the British side seem to the German government to have more incentives to defect from bilateral cooperation than the German side does—an option the British in turn appear keen to safeguard with their opposition to any real institutionalisation.

From this perspective, the general assumption that the British and German governments will cooperate if they are mutually unhappy with their current bilateral relations and find that they have an overlapping agenda seems to capture only part of the picture. Even if these conditions are met, meaningful cooperation will likely only occur if the perceived inequalities in the relationship are overcome.

### **Reassessing the Prospects for Cooperation**

In order to gauge the prospects for cooperation, the above analysis of the two countries’ European policy interests, style and bilateral relations must therefore be re-interpreted in terms of their implications for this uneven relationship.

Certainly, many of the changes associated with Brown and Merkel seem to pre-empt a greater equality in the relationship. The Brown government has, for example, been active in ensuring that the EU has a clear “functional” rationale (particularly in dealing with emergent problems connected with globalisation) meaning that the UK will likely be more committed to that good.

Yet a number of outstanding points remain.

The first issue concerns each state’s level of dissatisfaction with its current pattern of bilateral relations, and its willingness to

alter these. If the strengthening of British-German relations would really come at the cost of each country's current relations, it is undoubtedly Germany which has more to lose. The UK can easily revert to its tactic of ad-hoc bilateralism if German-British relations transpire to be an unsatisfactory alternative. By contrast, should reinforced British-German cooperation prove unfruitful, the German government may find itself unable to repair damage done to the relationship with France, described in the Grand Coalition treaty as indispensable. Merely by engaging in cooperation with the British in the first place, Germany is showing a commitment to the new relationship which the British cannot reciprocate.

The second issue concerns the commitment of the two countries to the "common good" at stake. Germany's continued willingness to frame its national interest in European terms suggests that it bears a strong commitment to the common European good. As more obviously self-interested actors, the British have always appeared more likely to defect and "free-ride" on the German commitment to the common good. Despite the supposed "normalisation" of the two states' European policies, this disjuncture continues to exist. The Brown government is, admittedly, seeking to extenuate this problem by bringing the cause of integration more into line with core British interests. All the same, integration for the sake of integration will continue to be opposed. Since the Brown government does not apparently believe that integration is a desirable end in itself, it will continue to look for multi-lateral frames outside the EU to realise these interests.

The third major issue is also rooted in the two governments' styles of European policy. The British reluctance to make public its long-term thinking on the EU, such as it was, long made it difficult for the Germans to gauge whether the British had an interest beyond the immediate in engaging in cooperation. Long-term German strategies were more readily available

leaving the Federal Republic at an informational disadvantage. The *Global Europe* paper offsets this trait. Nevertheless, the German government is also aware that the Brown government faces very real domestic constraints which will inhibit its efforts to follow these long-term plans through.

The day-to-day demands of domestic British politics expose Brown's government to a set of challenges on European policy that Merkel's Grand Coalition does not face. Brown's government may face a protracted ratification process in Parliament in connection with the Reform Treaty that saps energy on its diplomacy with EU partners. The forthcoming review of the EU budget may be seized upon by Euro-sceptics who may be able to score points if only modest change is achieved. The British government itself may over-estimate the extent to which reform of the Common Agricultural Policy can be achieved, and the German government remains committed to the October 2002 agreement, which did not satisfy the Blair government.

More fundamentally, there is not the same consensus amongst political elites surrounding European integration in Britain that there is in Germany. Whereas the Grand Coalition has boasted a broad overlap in its constituents' European policy priorities, a change of power between the UK's largest parties at the next elections (probably 2009) would herald a real rupture with the Labour government's efforts.

### **Steps towards Better Cooperation**

How then can the problems of the uneven relationship be overcome?

Rather than concentrating on its preferred blanket solution of institutionalisation, the German government might usefully seek to combat the individual reasons for the underlying inequality. If, for example, there is continued confusion about the UK's long-term EU agenda, the German government ought to engage in dialogue about the British government's vision for the EU and its capacity to realise it vis-à-vis

the domestic political situation. Clearly, the more publicly its vision is stated, the greater pressure on the British government to realise it if it is to retain international credibility. However, given the political situation in Britain, the government may also face considerable domestic pressure to revise its views if they are too publicly stated. The federal government may have to make do with talks behind closed doors.

The German government might equally explore blanket solutions other than institutionalisation. One obvious option would be to induce the French to act as “fixers”. As noted above, the French government enjoys formal relations with both Germany and the UK more advanced than the latter’s relations with one another. Getting the French to act as intermediaries could facilitate British–German relations. However, it would have to be done either behind the scenes or in a completely open manner so as not to raise fears amongst smaller states of an emergent *directoire*. There would be two potential benefits of approaching the French. First, it could increase the costs on the UK for defection; and second, it would be less damaging to German–French relations than other options, meaning that forging relations with Britain would be less of a commitment for the German government.

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