

Europe’s Constrained Leader: Germany’s Central Role in the Eurozone Crisis and Its Implications for Turkey’s EU Bid

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Introduction

With the outbreak of the Eurozone crisis in late 2009, Germany found itself at the epicenter of the debates over visions on the future architecture of the European Union (EU) and possible solutions to rescue the Euro. Germany has been less affected by the Eurozone’s problems than most of the other Member States and emerged as the EU’s undisputed leader with its aggregate capabilities and resources. The shifting balance of power in Europe since the onset of the Eurozone crisis has made Germany’s leadership in the EU widely desirable, if not inevitable.¹ The country is regarded as the only Member State that can keep the EU afloat during the crisis.² German leadership and aid came with hard conditions attached as well as willingness to undertake unilateral actions; in other words, if necessary, readiness for *Alleingang*, consistent with its national interests.

The crisis era for the European economies has also witnessed a German government that did not abstain from imposing its unilateral position pertaining to Turkey’s EU accession process on the rest of the EU by first blocking the opening of membership talks on Chapter 22 related to regional policy and coordination of structural instruments, and later lifting its veto. In the crisis era, Germany remained reluctant to make concessions on its issue-specific preferences. This paper argues that these parallels hint at a new pattern in Germany’s European policy and

¹ Ulrike Guerot (2013), “The German Election : What Europe Expects and What Germany Will Not Do”, *ECFR Policy Brief*, September 2013, p. 1

² Mark Hallerberg (2013), “Challenges for the German Welfare State Before and After the Global Financial Crisis”, *Cato Journal*, Vol. 33, No. 2, p. 263

that Andrew Moravcsik’s theory of liberal intergovernmentalism³ (LI) provides an adequate and useful framework in explaining the similarities between Germany’s approach to steering the Eurozone crisis and its attitude towards Turkey’s EU accession process since the onset of the crisis, by taking into account the implications of globalization-induced patterns of interdependence for the sequential processes of domestic preference formation and strategic interstate bargaining.

The paper is structured as follows: it outlines the key premises of the LI account to analyzing German national preference formation and policy-making in light of the Eurozone crisis. It then identifies the sources of German power in the EU, and analyzes the metamorphosis of the German influence in the EU in line with changing parameters of its European policy in four historical stages: the foundation of the Federal Republic of Germany; German reunification; the end of the Helmut Kohl era accompanied by the acceleration of the EU’s widening process; and the outbreak of the Eurozone crisis. In doing so, it reveals that changes in Germany’s European policy and German power in the EU are two sides of the same coin. It pays particular attention to whether domestic constituents and their preferences as well as interests have played a fundamental role in shaping the character and content of Germany’s European policy. In a subsequent analysis, the paper focuses on elucidating the key determinants behind German government’s attitude towards the opening of accession negotiations on Chapter 22. The paper reveals that following the outbreak of the Eurozone crisis, the policy externalities that might have arisen from the acceleration of Turkey’s EU accession process have been perceived by different societal actors in different ways. Domestic economic and security interests have been confronted with public distrust in the EU and its further widening, which led to inconsistency in German policy-making vis-à-vis Turkey.

³ Andrew Moravcsik (1993), “Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach”, *Journal of Common Market Studies*, Vol. 31, No. 4; Andrew Moravcsik (1997), “Taking Preferences Seriously: A Liberal Theory of International Politics”, *International Organization*, Vol. 51, No. 4

A Liberal-Intergovernmentalist Approach to German Policy-Making in View of the Eurozone Crisis

Neoliberals had already moved the academic debate on international politics to the next level within rationalist circles by adopting a rather optimistic view of cooperation between the units of an international system driven by economic interdependence in consequence of extraordinary growth in international trade, transactions, price sensitivity and foreign direct investments as well as the increasing connection of societies by multiple channels.⁴ Neoliberalism conveyed the impression to be particularly interested in the interaction of state preferences. Some neoliberalist scholars had already acknowledged the need to understand how domestic politics affects national preference formation and pointed out the deficiency of neoliberalist thought in applying a complete system-level analysis of international relations.⁵ The central role of domestic context in the formation of state preferences, and consequently, state behavior in the international fora has been at the crux of Andrew Moravcsik’s theory of LI, which provided the study of international politics and European integration with a fresh “bottom-up” approach.

By offering a sequential analysis of a liberal theory of national preference formation and an intergovernmental approach to strategic interstate bargaining, Moravcsik shifts the focus on supply and demand functions necessary for international cooperation. Whereas a process of domestic preference formation shapes the perceptions of national governments with regard to benefits of potential policy coordination (the demand side), the interstate bargaining process sets out the possible cooperation outcomes (the supply side).⁶ On the demand side, LI emphasizes the central role of the interests and preferences of domestic constituents in the

⁴ See on this Robert O. Keohane and Joseph S. Nye (1989) 1st Edition 1977, *Power and Interdependence: World politics in transition*, (New York: Harper Collins Publishers), pp. 25-29; Richard N. Cooper (1972), “Economic Interdependence and Foreign Policy in the Seven- ties”, *World Politics*, Vol. 24, No. 2, pp. 177-179

⁵ Robert O. Keohane and Joseph S. Nye (1987), “Power and Interdependence Revisited”, *International Organization*, Vol. 41, No. 4, p. 748

⁶ Moravcsik (1993), op.cit., p. 481

formation of state preferences due to governments’ primary interest in staying in power. “States (or rather political institutions) represent some subset of domestic society, on the basis of whose interests state officials define state preferences and act purposively in world politics”.⁷ States acquire little room for maneuver at times when the preferences of the strongest domestic groups are precisely defined. On the supply side, states enter the phase of intergovernmental strategic bargaining, where they pay particular attention to the distributional consequences of the cooperation outcome.

Globalization-induced patterns of interdependence play a crucial role in the sequential processes of domestic preference formation and strategic interstate bargaining. In the global world order, the pursuit of state preferences driven from the interests of the most dominant domestic actors may influence the domestic goals of foreign states. States’ national policies become interdependent and *policy externalities* may occur; in other words, policies of a state may impose costs or benefits for other states.⁸ Neoliberalist and liberal intergovernmentalist emphasis on economic interdependence might easily lead to the common misunderstanding that economic interests primarily define the limits of cooperation. However, liberal theories of international relations do not only highlight interdependence in economic issues, but also in other issue areas such as security, foreign policy and ecology. “(...) the key here is the term ‘issue-specific’(...) It is that state preferences are driven by issue-specific preference functions about how to manage globalization, not linkage to general policy concerns (...) Geopolitical interests (even more than ideology) also had an important impact on European integration.”⁹ In situations where state preferences impose significant costs (known as negative externalities) on dominant domestic constituents in foreign states and prevent them from realizing their goals, interstate conflicts may arise making cooperation difficult. On the

⁷ Moravcsik (1997), op.cit., p. 518

⁸ Ibid., p. 520; Cooper, op.cit.

⁹ Andrew Moravcsik and Frank Schimmelfennig (2009), “Liberal Intergovernmentalism”, in Antje Wiener and Thomas Diez (eds.), *European Integration Theory*, (Oxford: Oxford University Press), p. 70

supply side, states bargain to achieve substantive beneficial outcomes on the basis of *asymmetrical interdependence* on relevant issue areas. Those who gain the most from policy coordination on the basis of domestic preferences, compromise the most on the margin to realize the coordination. On the other hand, the states, which are less dependent on the relevant issue of interaction, may be able to manipulate the interaction to achieve their intentions not only in the area of issue, but in the form of side-payments in other issue areas, as well.¹⁰

In transferring the core premises of LI to the study of the character of Germany’s European policies since the outbreak of the Eurozone crisis, with particular focus on German policy-making vis-à-vis Turkey’s EU accession process, the following hypotheses are detracted:

[H1] In view of policy externalities stemming from the Eurozone crisis, German domestic constituents are likely to pay increased attention to the key parameters of the German government’s European policy, including those related to Turkey’s EU bid, and precisely define their preferences, which would give German government little room for maneuver.

[H2] Germany, a country which has so far been less affected by the Eurozone’s problems than most of the other Member States, is likely to be reluctant to achieve policy coordination in issues related to the crisis, if such policies would impose significant negative externalities on the most dominant domestic groups in Germany. A reluctant Germany with low intensity of national preference for cooperation is likely to manipulate the interaction and constrain the agreements related to Eurozone crisis to achieve its intentions in this issue area, while it may also obtain side-payments in other issue areas, such as Turkish accession to the EU.

¹⁰ Robert O. Keohane (1989), *International Institutions and State Power: Essays in International Relations Theory*, (Boulder: Westview Press), p. 26

Sources of German Power in the EU

German power has long caught the interest of scholars, policy-makers, and the European public, in general, and shaped the sui generis nature and institutional architecture of the EU. Germany played a central role in the launch of the supranational integration in Europe, in other words, the creation of the European Coal and Steel Community (ECSC).¹¹ In view of the rapid recovery of German power following the World War II, European, and in particular, French efforts to benefit from the resurgent German power in a multilateral context and control it through political means, at the same time, gave birth to the initiation of the European integration process. As Morisse-Schilbach argues, “(...) the only way of taming post-World War II Germany was to link it as closely as possible to its European partners through the intermediary of international institutions. At the same time, it also became clear to European leaders that the only way to benefit from these close linkages to former enemy Germany was – paradoxically – to let it become strong and powerful once again (in economic terms).”¹² Indeed, Germany’s economic strength constitutes an essential part of its “aggregate structural power”, which concerns “a state’s total amount of resources and capabilities – its territory, population, economic strength, military capabilities, technological development, political stability and administrative capacity.”¹³ Germany is the largest national economy in Europe, representing approximately 21 percent of the EU’s total gross domestic product (GDP)¹⁴ and enjoying premier position in the global arena along with the U.S. and Japan. Until the outbreak of the Eurozone crisis in 2009, Germany has proudly held the unofficial title of “export world champion”. The country has the second lowest unemployment rate in the EU, after its relatively small neighbor, Austria. Over the last decade, Germany’s GDP per

¹¹ Simon Bulmer and William E. Paterson (2013), “Germany as the EU’s reluctant hegemon? Of economic strength and political constraints”, *Journal of European Public Policy*, Vol. 20, No. 10, p. 1387

¹² Melanie Morisse-Schilbach (2011), “ ‚Ach Deutschland!‘ Greece, the Euro Crisis, and the Costs and Benefits of Being a Benign Hegemon”, *IPG 1/2011*, p. 27

¹³ Jonas Tallberg (2008), “Bargaining Power in the European Council”, *Journal of Common Market Studies*, Vol. 46, No. 3, pp. 688-689

¹⁴ World Economic Outlook Database, October 2013

capita has increased faster than any other major industrialized country.¹⁵ Germany’s aggregate structural power incorporates other components, as well. It is the most populous Member State in the EU and enjoys a highly strategic location at the crossroads of Central Europe. It offers investors a high degree of political stability. Germany’s political stability enables the German government to transform its aggregate power into political influence in the institutions of the EU. In terms of administrative capacity, according to the Governance Report 2014 prepared by the renowned Hertie School of Governance, Germany ranks among the top countries, in nearly all categories related to the issue of administrative capacity, both in an EU and worldwide evaluation.¹⁶ Germany’s technological development may be inferred from the fact that its technology-based exports represent approximately 90 percent of the country’s total exports.¹⁷ Last, but not least, as far as Germany’s foreign policy parameters and its military capabilities are concerned, these have long been subject to heavy debates in European academic and political circles. While Germany has steadily enhanced its geo-economic agency since its reunification, it has pursued a relatively tame foreign policy with little interest in the strengthening of the Common Security and Defense Policy (CSDP). Its military capabilities remained relatively weak in comparison with France and the United Kingdom (UK). That being said, the latest statements of the new German government as well as its efforts to reform the German *Bundeswehr* indicate the emergence of a more assertive German foreign policy, which will help Germany assume a greater international role by becoming more involved outside its borders both politically and militarily.¹⁸ Above mentioned components of Germany’s aggregate structural power enable this country to exert

¹⁵ Alexander Reisenbichler and Kimberly J. Morgan (2013), “How Germany won the Euro crisis: And why its gains could be fleeting”, *Foreign Affairs*, 20 June 2013, <http://www.foreignaffairs.com/articles/139520/alexander-reisenbichler-and-kimberly-j-morgan/how-germany-won-the-euro-crisis>

¹⁶ The Governance Report 2014, Interactive Data Explorer, <http://www.governancereport.org/home/governance-indicators/indicators2014/interactive-data-explorer/>

¹⁷ Horst Siebert (2014), *The German Economy: Beyond the Social Market*, (Princeton: Princeton University Press), p. 5

¹⁸ See on this “Interview with German Foreign Minister Steinmeier: ‘History Judges the Success of Foreign Policy’”, *Spiegel Online*, 24 February 2014; “Deutschland kann keine grosse Schweiz sein”, *Berner Zeitung*, 7 February 2014; Ulrich Speck (2014), A New Franco-German Deal on EU Foreign Policy?, 24 January 2014, <http://carnegieeurope.eu/strategieurope/?fa=54301>

substantial influence on the EU institutions and decision-making processes through its European policy.

An Overview of the Metamorphosis of German Influence in the EU

The issues of Germany’s European vocation and the metamorphosis of German influence in the EU have been subject to intense debate in academic, political as well as public spheres. This is not surprising since “one of the key determinants of the future character and functioning of the EU is German *Europapolitik* (European policy).”¹⁹ Thus, a strong link exists between Germany’s European policy and the character as well as scope of its influence in the EU. The transformation of German power in the EU on the basis of changing key parameters and premises of its European policy has evolved in four historical stages: the foundation of the Federal Republic of Germany; German reunification; the end of the Helmut Kohl era accompanied by the acceleration of the EU’s widening process; and the outbreak of the Eurozone crisis. The Federal Republic was established in 1949 and remained under official occupation until the completion of the process of including the Federal Republic as a member of the North Atlantic Treaty Organization (NATO) in 1955. In the postwar era, the country was obliged to operate under unusual internal and external constraints within a bipolar system, which led to its characterization as a “semi-sovereign”²⁰ or “pre sovereign”²¹ state. Germany’s limited external and internal sovereignty gave rise to its “foundational commitment to European integration.”²² That commitment was an attempt to lay the foundations of a German “actress” in Europe and on the global stage, and bring solutions to

¹⁹ Adrian Hyde-Price and Charlie Jeffery (2001), “Germany in the European Union: Constructing Normality”, *Journal of Common Market Studies*, Vol. 39, No. 4, p. 690

²⁰ Peter J. Katzenstein (1987), *Policy and Politics in West Germany: The Growth of a Semi-sovereign State*, (Philadelphia: Temple University Press)

²¹ William E. Paterson (2005), “European Policy-making: Between Associated Sovereignty and Semisovereignty”, in Simon Green and William E. Paterson (eds.), *Governance in Contemporary Germany: The Semisovereign State Revisited*, (Cambridge University Press: Cambridge), p. 262

²² Simon Bulmer, Charlie Jeffery and Stephen Padgett (2010), “Democracy and Diplomacy, Germany and Europe”, in Simon Bulmer, Charlie Jeffery and Stephen Padgett (eds.), *Rethinking Germany and Europe: Democracy and Diplomacy in a Semi-Sovereign State*, (Hampshire: Palgrave Macmillan), p. 3

domestic problems, by means of acting in concert within a multilateral framework, and particularly, in close cooperation with France. This approach helped Germany find its place in the new world order, boost the growth of its economy, rediscover its potentials as a soft power and provided the EU with institutional solutions derived from Germany’s domestic institutional models. In Paterson’s words, “In the founding years (...) the Federal Republic developed a culture of “reflexive multilateralism” where its increasing actorness was veiled by multilateral process and dialogue. As the Federal Republic consolidated itself it began to feel confident enough to launch initiatives and eventually to export its own institutional models to the European level (...)”.²³

Although in the wake of the German reunification, the additional population and, consequently, the opportunity for new economic potentials enhanced Germany’s aggregate structural capabilities compared to those of France and the UK, key parameters of Germany’s European policy did not undergo gradual changes, at least immediately. To put it in Anderson’s words, “Unified Germany has not gone “back to the future’.”²⁴ The country maintained its commitment to multilateralism and European integration, and the traditional pattern of Franco-German alliance at the base of Europe’s development continued, which led to Katzenstein’s famous characterization of unified Germany as a “tamed power”.²⁵ His work pointed out Germany’s strong commitment to institutionalized multilateralism and its choice to give up its newly won sovereign power. “(...) what is distinctive about Germany is not its “unintentional power”, (...) but that its political leaders exercise power only in multilateral, institutionally mediated systems”.²⁶ However, this era also signaled the emergence of a new trend in German policy-making: the domestication of Germany’s European policy. The 1992

²³ William E. Paterson (2006), “Does Germany Still Have a European Vocation?”, *ERI Working Paper Series*, No. 15, September 2006, p. 5

²⁴ Jeffrey Anderson (1999), *German Unification and the Union of Europe*, (Cambridge: Cambridge University Press), p. 20

²⁵ Peter J. Katzenstein (1997), “United Germany in an Integrating Europe”, in Peter J. Katzenstein (ed.), *Tamed Power: Germany in Europe*, (New York: Cornell University Press), pp. 1-48

²⁶ *Ibid.*, p. 4

Maastricht Treaty transferred many competences of the Member States to the EU institutions and launched the creation of the European Monetary Union (EMU). These advanced steps in the process of European integration led to increased skepticism of German public opinion towards the EU deepening as a reliable option for the realization of domestic interests, and warned the German *Bundesländer* about their diminishing competences in the formation of Germany’s European policies in line with their particular interests and preferences. The *Länder* accordingly demanded greater co-decision rights in the formulation of German official position on EU’s policy-making processes. Under these circumstances and because of increasing pressure from *Länder*, the Article 23 of the Basic Law was revised to assure *Länder*’s access to European decision-making processes. Tanja Börzel, a close observer of EU-German relations nicely summarizes the implications of this revision for the representation of domestic interests at the EU level. “For the first time, the transfer of both national and regional competences to the EU requires the consent of the *Bundesrat*. (...) The Federal government is not obliged to give *Bundesrat* recommendations due consideration in cases where the *Länder* would participate in the decision on (...) European issues that fall under exclusive federal competencies but affect *Länder* interests.”²⁷ The policy externalities arising from enhanced deepening within the EU also led to the emergence of other critical voices in Germany vis-à-vis Germany’s European policy found on multilateralism and conscious avoidance of seeking out a stronger leadership role in the EU, such as Bavarian Prime Minister Edmund Stoiber or German Federal Constitutional Court (FCC). With Gerhard Schröder’s Chancellorship, the domestication of Germany’s foreign and European policies has further been reinforced. Schröder grounded Germany’s foreign policy parameters increasingly on national interests, and proclaimed a “new normality” in Germany’s dialogue

²⁷ Tanja A. Börzel (2006), *States and Regions in the European Union: Institutional Adaptation in Germany and Spain*, (Cambridge: Cambridge University Press), p. 71

with the world, a motto he used during and after the election campaign.²⁸ This new foreign policy paradigm had been reflected in the launch of bilateral initiatives pertaining to energy issues with Russia, Schröder’s efforts to reduce Germany’s net contribution to EU budget through reforms in Common Agricultural Policy (CAP) as well as his strong support for Turkey’s EU membership. Contrary to his predecessor, Chancellor Kohl, Schröder has acted as one of the leading advocates of Turkey’s EU candidacy and the opening of accession negotiations with Turkey. The speech he made at the German Bundestag on 3 December 1999, just a few days prior to the Helsinki European Council meeting, where Turkey’s EU candidacy was confirmed, indicates the German Chancellor’s interest-oriented European policy. “We cannot on the one hand keep stressing Turkey’s strategic significance for Europe, placing great burdens on it within NATO, flatter it as an important regional power and require European standards of it, if on the other hand we are not also ready to offer it a clear European perspective going beyond the simple customs union.”²⁹

With the onset of the Eurozone crisis, Germany found itself at the very center of the debates over visions on the future architecture of the Union and possible solutions to rescue the Euro area, with all eyes on Germany’s role in steering the crisis and the particularities of its European policy. The Eurozone crisis has unquestionably created a window of opportunity for Germany to increase its influence in the EU. Germany has been less affected by the Eurozone’s problems than most of the other Member States. Rather than trade deficits, the country has maintained huge trade surpluses.³⁰ Since 2001, German labor unit costs have risen around 20-30% less than unit labor costs in other Member States in the Eurozone. Between 2005 and 2012, Germany’s unemployment rate gradually decreased from 11.1 percent in 2005

²⁸ Christian Engel (2006), “Germany: A Story of Saving Face”, in Finn Laursen (ed.), *The Treaty of Nice: Actor Preferences, Bargaining and Institutional Choice*, (Leiden: Koninklijke Brill NV), p. 95

²⁹ “Germany wants Turkey to become EU candidate”, *Agence France Presse*, 3 December 1999

³⁰ German trade surplus hit record high with €198.9 billion

to 6.7 percent in 2012.³¹ Despite the crisis, German economy grew between 2010 and 2013 on average by 2.1 percent.³² In view of Germany’s economic strength and leading net contributor status, many in Europe expected a German leadership that would not abstain from “responsibilities of political leadership commensurate with its economic heft”³³ and a Germany that would agree to “transfers of resources – and, if necessary, of power – required to sustain the long-term viability of the European integration project.”³⁴ The German government, under the leadership of Chancellor Merkel, failed to meet these expectations by steering the Eurozone crisis by means of a management mechanism mainly driven by its own national interests and ready for *Alleingang*, if necessary. German readiness for *Alleingang* has been reflected in various unilateral actions and calls including its rejection of the Eurobonds and policies that generate more domestic spending and its initial reluctance to offer contribution to a € 750 billion Euro loan fund to bailout Greece and other struggling Member States in order to set strict rules for the aid package such as tax increases, spending cuts, as well as politically difficult market reforms and include the IMF in the troika of creditors, along with the European Commission (EC) and the European Central Bank (ECB). Such actions have been accompanied by Chancellor Merkel’s statements like “Greece shouldn’t have been allowed in to the Euro”³⁵ or “In the future, we need an entry in the [Lisbon] Treaty that would make it possible, as a last resort, to exclude a country from the Eurozone if the conditions are not fulfilled again and again over the long term.”³⁶ The shifting balance of power in the EU since the onset of the crisis had made Germany’s leadership in the Union widely desirable, if not indispensable. Germany’s unilateral calls and actions led to the

³¹ Statistisches Bundesamt (2014), *Arbeitsmarkt. Arbeitslosenquote*, <https://www.destatis.de/DE/ZahlenFakten/Indikatoren/Konjunkturindikatoren/Arbeitsmarkt/arb210.html>

³² Eurostat (2014), Real GDP Growth Rate Volume, <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tec00115&plugin=1>

³³ Guerot, op.cit., p. 1

³⁴ Ibid., p. 1

³⁵ “Angela Merkel: Greece should never have been allowed in the euro”, *The Telegraph*, 27 August 2013

³⁶ “Merkel says errant states should be kicked out of Eurozone”, *EUObserver*, 17 March 2010

characterization of its leadership as a “reluctant hegemony”³⁷ that gave precedence to the premises of sound money and ordoliberalism over unconditional dedication to European integration³⁸, or as a power that is losing its status as a “benign hegemon”.³⁹ Although the recent months witnessed German efforts to compensate its unilateral actions and widely criticized leadership status in the EU with its support in other policy areas such as the further development of the Union’s CSDP, German attitude vis-à-vis Eurozone crisis has remained much the same. The Eurozone crisis provided a window of opportunity for various domestic actors to shape Germany’s European policies, making Germany and Chancellor Merkel a “constrained hegemon” in the EU.

Germany: Europe’s Constrained Leader

Germany’s role in steering the Eurozone crisis alarmed German domestic societal actors about the possible negative policy externalities, which were likely to arise from German commitment to saving the Euro project and impose significant costs on them. It further put the issue of democratic governance in the EU into question. Germany is the biggest net donor with a current contribution of €190 billion (amounts roughly to two-thirds of Germany’s budget) to the capital of the European Stability Mechanism (ESM), which has been financing bailouts of Member States since September 2012 acting as the successor of the European Financial Stability Facility (EFSF) set up in 2010. Germany’s responsibility for the lion’s share of the bailout money accompanied by the questions related to the legitimacy of the funds due to the no-bailout clause⁴⁰ of the Lisbon Treaty as well as many Member States’ call for policies that would encourage domestic spending for the vitalization of struggling economies - an approach contrary to German vision of budget consolidation through less

³⁷ William E. Paterson (2011), “The Reluctant Hegemon? Germany moves to center stage in the European Union”, *Journal of Common Market Studies*, Vol. 49, pp. 57-75

³⁸ Bulmer and Paterson, op.cit., p. 1401

³⁹ Morisse-Schilbach, op.cit.

⁴⁰ Due to increasing criticism from Member States, and in particular from German government, the Article 136 of the Lisbon Treaty has been amended to allow the establishment and functioning of the ESM under the EU law.

government spending and increased taxes⁴¹ - reinforced German domestic constituent’s skepticism over Germany’s European policies. With the outbreak of the Eurozone crisis the FCC emerged as a leading actor in monitoring the compatibility of policy coordination at the EU level with the German Basic Law and giving judgments on the basis of national sovereignty of Member States and the limits of European integration. The court had already addressed these issues and reinforced the role of the German *Bundestag* in the direction of the European affairs with its 1993 and 2009 decisions pertaining to the treaties of Maastricht and Lisbon.⁴² Since the onset of the Eurozone crisis, the FCC has given similar decisions in 2011, 2012 and 2014 regarding to the EFSF and the ESM. These rulings upheld the legitimacy of these mechanisms, while ordering the German government to get approval from the parliamentary budget committee for Germany’s participation in the bailout funds and limiting current the volume of national liabilities to €190 billion. The possibility of negative rulings by the FCC over the legitimacy of bailout mechanisms created great concern not only in European public and political spheres⁴³ but also within the German government. These concerns have been reinforced by German public opinion’s increasing distrust in the EU and its vision pertaining to the key solution for problems arising from the Eurozone crisis. According to the Spring 2012 Eurobarometer survey, 61 percent of Germans mistrust the EU⁴⁴, whereas the comprehensive 2013 survey of the PEW Research Center points out that for the majority of Germans (67 percent) the best way to solve economic problems was the reduction of the public debt.⁴⁵ Increasing public hostility towards the EU and discomfort from Germany’s role as Europe’s cash dispenser has also been reflected in the success of the Eurosceptic German political party Alternative for Germany (AfD) in the September 2013

⁴¹ Sebastian Dullien and Ulrike Guerot (2012), “The Shadow of Ordoliberalism: Germany’s Approach to the Euro Crisis”, *ECFR Policy Brief*, September 2012, p. 3

⁴² See on this Jo Eric Khushal Murkens (2013), *From Empire to Union: Conceptions of German Constitutional Law since 1871*, (Oxford: Oxford University Press), pp. 178-208

⁴³ See for example “German Constitutional Court hearing will be day of judgement for the euro”, *Telegraph*, 8 September 2012; “Karlsruhe — the court that could bury the euro”, *Presseurop*, 1 December 2012

⁴⁴ European Commission (2012), *Standard Barometer 77*, Spring 2012, p. 92

⁴⁵ PEW Research Center (2013), *The New Sick Man of Europe: The European Union*, p. 11, <http://www.pewglobal.org/files/2013/05/Pew-Research-Center-Global-Attitudes-Project-European-Union-Report-FINAL-FOR-PRINT-May-13-2013.pdf>

German federal elections. AfD was formed only seven months prior to the elections. The party surprisingly won 4.7 percent of the vote and just fell short of holding parliamentary seats by a very slight margin. The support for the Eurosceptics accompanied by concerns over the constitutionality of the bailout mechanism constrained the policy options of the Merkel government at the EU level. With that being said, a constrained German European policy driven from the preferences of domestic constituents boosted Chancellor Merkel’s popularity in the eyes of the German public opinion⁴⁶ and business world. When German media seized on a report in October 2013 that Germany’s wealthy Quandt family, a major shareholder in BMW, had donated €690,000 to Merkel’s party, the Christian Democratic Union of Germany (CDU), a family spokesperson explained this donation with “the very successful effort of the chancellor in resolving the Eurozone crisis.”⁴⁷ Indeed, German government’s stance towards the crisis has been in line with the demands of the German business world. Markus Kerber, Chief Executive of the Federation of German Industries (BDI), stated in an interview, “The Federal government should stick to its philosophy: no service without service in return.”⁴⁸ In a similar vein, the Association of German Chambers of Commerce and Industry (DIHK) argued in a position paper that the crisis could only be solved, if the Eurozone members were to reduce their debt levels and enhance their competitiveness.⁴⁹ Such examples indicate the fact that in view of the Eurozone crisis, strong domestic actors defined their interests and preferences precisely. This provided a window of opportunity for societal constituents to set the limits and boundaries of Germany’s European policies, making Germany and Chancellor Merkel a “constrained hegemon” in the EU.

⁴⁶ “Why Germans love the enigmatic Merkel”, *The Guardian*, 15 August 2012

⁴⁷ “Anger over German stance on auto CO2 emissions”, *AFD*, 15 October 2013

⁴⁸ „Industrie beklagt „Kakophonie“ der Euro-Retter“, *Handelsblatt*, 3 July 2012

⁴⁹ DIHK (2012), “Mehr Wettbewerbsfähigkeit, weniger Schulden”, *Wirtschaftliche Positionen 2012 der IHK-Organisation*, pp. 6-7, http://www.ihk-kassel.de/solva_docs/wirtschaftspolitische_positionen_2012.pdf

A Constrained Leader’s Turkey Policy

What are the implications of Germany’s central role in the Eurozone crisis and its constrained European policy for the official German attitude towards Turkish accession to the EU? Has the German government’s Turkey policy become more contingent on domestic factors since the onset of the Eurozone crisis? In an attempt to answer these questions, this paper focuses on German government’s unsteady support for the opening of negotiations on Chapter 22, which concerns issues related to regional policy and coordination of structural instruments. The chapter had previously been blocked by France since 2007, along with four additional chapters, as they were considered directly related to full membership, which was not favored by the then French President Nicolas Sarkozy. Following François Hollande’s presidential victory in May 2012, the French government lifted its veto on Chapter 22 on 12 February 2013. An analysis of German position on the opening of Chapter 22 is highly relevant for the study of German-Turkish relations within the context of the Eurozone crisis due to two main reasons. Firstly, after a three and a half-year hiatus in accession talks with Turkey, the EU agreed in November 2013 to launch talks on Chapter 22 and resume membership negotiations. Thus, the opening of talks on this chapter has actually been the only positive development in Turkey’s EU accession process since the escalation of EU-wide debates over the Eurozone crisis and the EU’s future architecture. Secondly, during the process leading up to the opening of this chapter, the German government changed its position on this matter several times: It first backed the opening of Chapter 22 in EU-Turkey talks, then voiced its objection to the relaunch of talks in June 2013, as originally promised by the EU, and ultimately, in October 2013, gave its green light to open Chapter 22. Accordingly, the study of the process leading up to the opening of talks on Chapter 22 with particular focus on Germany’s fluctuating attitude towards the matter is likely to give some important and useful hints on the key determinants of Germany’s Turkey policy during the Eurozone crisis.

Chancellor Merkel’s Visit to Turkey: Call for a Fresh Impetus in Turkey-EU Negotiations

Between 24-25 February 2013, German Chancellor Merkel visited Turkey, accompanied by an exceptionally high-level business delegation, comprising 15 top leaders of the German business world.⁵⁰ One day ahead of her departure to Turkey, the German Chancellor talked in her weekly video podcast about her visit to Turkey and declared her support for the opening of a new chapter in Turkey’s accession negotiations with the EU, regardless of her personal doubts about the matter: “I think a long negotiation path lies ahead of us. Although I am skeptical, I have agreed with the continuation of membership discussions. We are conducting these negotiations open-ended. Recently, they have become stuck, and I am in favor of opening a new chapter in these negotiations in order to move forward. I think, I will also discuss this issue with the Turkish government during my visit.”⁵¹ Merkel confirmed during her visit in Ankara her support for the opening of a new chapter related to regional policy.⁵² Her backing for the revitalization of Turkey’s dormant EU accession process after a three and a half-year freeze came at a time, when top representatives of the German business community aimed at further enhancing and deepening bilateral economic relations with the Turkish business world, and initiating new partnerships and investments as part of their visit to Turkey. The significance of the trip for the German business world was also reflected in the realization of the second Turkish-German CEO Forum on 25 February 2013, with the attendance of Chancellor Merkel. The forum that was jointly organized by the Association of Turkish Industry and Business (TÜSIAD) and its German counterpart BDI brought together top CEOs from both countries to discuss the present and future of German-Turkish economic

⁵⁰ The delegation included heads of the executive boards of leading German companies such as E.ON, EnBW, Siemens, Deutsche Bank, Deutsche Lufthansa, Fraport, ALBA Group and the President of DIHK, Hans Heinrich Driftmann.

⁵¹ Bundesregierung (2013a), *Video-Podcast der Bundeskanzlerin*, No. 7/2013, 23 February 2013, http://www.bundeskanzlerin.de/Content/DE/Podcast/2013/2013-02-23-Video-Podcast/links/download-PDF-barrierefrei.pdf;jsessionid=507811CF802B018CCC17FD204A34BD95.s4t2?_blob=publicationFile&v=1

⁵² Bundesregierung (2013b), *Report of Turkey-Visit: Germany/Turkey: The people are a bridge between our two countries*, <http://www.bundesregierung.de/ContentArchiv/EN/Archiv17/Reiseberichte/2013/2013-02-25-merkel-tuerkei.html>

relations with Turkey greatly profited from Turkey’s accession negotiations with the EU, which consolidated Turkey’s political and economic stability, increased foreign direct investments in the country due to the necessary implementation of EU standards, and boosted its domestic demand growth. Following the start of accession negotiations in 2005, net transfers from Germany to Turkey increased from €200 million in 2005 to around €1.6 billion in 2008.⁵⁹ Since the onset of the Eurozone crisis, the continuation and acceleration of Turkey’s EU accession process has become even more important for the German business world in its fight against the negative externalities arising from the Eurozone crisis. In view of new externalities and Turkey’s possible contribution to the elimination of these externalities, German business communities defined their preferences regarding German government’s Turkey policy very precisely.

German Christian Democrats Discover Turkey: Increasing Party-political Consensus in Favor of Turkey’s EU Accession Process

On the eve of Chancellor Merkel’s visit to Turkey, some critical voices within the CDU emerged, calling for the acceleration of Turkey’s EU accession process and questioning the CDU’s “privileged partnership” strategy. Günther Oettinger, top CDU politician and European Commissioner for Energy, criticized the sluggish progress of Turkey’s EU accession process and pointed to the drastic changes in the pattern of interdependence between Turkey and the EU in view of the Eurozone crisis: “I would like to bet that one day in the next decade a German chancellor and his or her counterpart in Paris will have to crawl to Ankara on their knees to beg the Turks, ‘Friends, come to us.’”⁶⁰ Ruprecht Polenz, the then Chairman of the Foreign Affairs Committee in the German *Bundestag* and a very close

⁵⁹ “Deutschland und die Türkei – Eine besondere Beziehung”, *Wirtschaftswoche*, 13 September 2010, www.wiwo.de/politik/laenderanalyse-2010-deutschland-und-tuerkei-eine-besondere-beziehung/5679474.html

⁶⁰ “They Will Give In’: Turkey Pressures Germany on EU Accession”, *Spiegel Online International*, 21 February 2013, <http://www.spiegel.de/international/world/turkey-pressures-germany-to-accept-eu-accession-a-884824.html>

observer of Turkey-EU relations, hinted at some upcoming changes in his party’s Turkey policy, one day prior to Chancellor Merkel’s visit to Turkey: “It is clear to most people in my party that the idea of ‘privileged partnership’ is defunct. In Turkey, the concept has a negative connotation. We should not use it, anymore.”⁶¹ Polenz furthermore grounded his support for Turkish accession process on Turkey’s economic success as well as its geostrategic importance for the European security, and the possible implications of Turkey’s *Alleingang* (solo actions) for Europe. “A Turkey that would act against European interests in the region would undoubtedly aggravate our problems.”⁶² Likewise, Hans-Georg Pöttering, former President of the European Parliament (EP) and the recent Chairman of the CDU-near Konrad Adenauer Foundation (KAS), emphasized in an interview, just two days ahead of Merkel’s Turkey trip, common ground for German-Turkish cooperation in various areas including ensuring the economic and political stability in Europe and the Middle East, the resolution of the conflict in Syria and the implementation of joint development policies towards Africa. He also declared that two new chapters in Turkey’s accession talks with the EU might be opened during the Irish Presidency.⁶³

Such statements pointed to some changes in the attitude of Germany’s major political party towards Turkey’s EU accession process: If Germany wanted to eliminate the negative economic and security-related externalities arising from the Eurozone crisis, the instability in the broader Middle East and Africa and other global challenges such as the supply of energy security in Europe, it needed to consider to deepen its cooperation with countries like Turkey, which has seen economic growth amid the Eurozone crisis⁶⁴ and which enjoys relatively stable economic, political, and cultural relations with parties affected by changing political

⁶¹ Daniela Vates, “Polenz will die Türkei an die EU binden”, *Frankfurter Rundschau*, 23 February 2013

⁶² Ibid.

⁶³ “Die Türkei erlebt eine außergewöhnliche Phase der politischen Stabilität“, *DTJ*, 22 February 2013

⁶⁴ Between 2010 and 2012, Turkey’s economy grew on average by 6.7 percent.

<http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

landscapes in the Middle East and the surrounding regions. With a small shift in their Turkey policy, the CDU elites aimed at preventing the political differences between the two countries from affecting the future of economic and foreign policy-related bilateral dialogue. The CDU’s call for the acceleration of Turkey’s EU accession process has also been supported by other major German political parties.⁶⁵ For the first time after many years, there was a party-political consensus in the German *Bundestag* in favor of Turkey’s EU accession process. The good vibes between Turkey and Germany culminated in the establishment of the German-Turkish Strategic Dialogue Mechanism in May 2013. The mechanism aims to strengthen the close bilateral partnership between the two governments in strategic matters such as foreign and security policy, the fight against terrorism and extremism, energy, regional and international issues.⁶⁶ The joint declaration released on behalf of the initiation of the mechanism described Turkey’s EU accession process as “beneficial for both sides.”⁶⁷

German Veto on Chapter 22: A Matter of Domestic Political Constraints?

After almost ten years, the CDU together with its Bavarian sister party, Christian Social Union of Germany (CSU), dropped the use of the concept “privileged partnership” in their joint 2013 election program, while reiterating their preferred relationship between Turkey and the EU: “We want strong cooperation between the European Union and Turkey, as well as close strategic collaboration on foreign and security questions.”⁶⁸ Taking into account the rapprochement between EU/Germany and Turkey in the recent months, both Turkish and European political circles expected the opening of Chapter 22 on 26 June 2013 during the EU-

⁶⁵ See on this the statements of Rainer Brüderle, Chairman of the parliamentary faction of the Free Democratic Party, <http://www.presseportal.de/pm/2790/2421566/der-tagesspiegel-fdp-fraktionschef-rainer-bruederle-fordert-mehr-tempo-bei-eu>; Sigmar Gabriel, Leader of the SPD, <http://www.welt.de/newsticker/news3/article114011728/Gabriel-dringt-auf-schnellere-EU-Beitrittsverhandlungen-mit-der-Tuerkei.html>

⁶⁶ Auswärtiges Amt (2013), *Joint Declaration between the Federal Foreign Office of the Federal Republic of Germany and the Ministry of Foreign Affairs of the Republic of Turkey on the establishment of a Strategic Dialogue Mechanism*, 12 May 2013, Berlin.

⁶⁷ Ibid.

⁶⁸ CDU/CSU (2013), *Gemeinsam erfolgreich für Deutschland: Regierungsprogramm 2013-2017*, p. 119

Turkey Intergovernmental Conference, as promised by the EU. However, in late June 2013, the German government emphasized its strong objection to a quick relaunch of accession talks between Turkey and the EU. The German government grounded its veto on Chapter 22 inexplicitly on Turkish government’s handling of the Gezi Park demonstrations, which started in late May 2013 to protest the urban development plans for Istanbul’s Taksim Square and the Gezi Park. A spokesperson of German Foreign Affairs Minister Guido Westerwelle told German newspaper *Frankfurter Allgemeine Zeitung* (FAZ) that the timing of this chapter’s opening was a “technical issue” and not directly related to the demonstrations in Turkey. However, he added, “There is of course an overall political context, and as is always the case in life, everything is ultimately connected with everything else.”⁶⁹ In line with this statement, the German media referred to the Gezi Park events as an important dynamic behind German government’s veto on Chapter 22.⁷⁰ However, when looking at the overall mood in the other EU Member States, a different picture emerges. The German call for delay of talks on Chapter 22 has only been supported by two the Member States: the Netherlands and Austria.⁷¹ Germany, the Netherlands and Austria share a host of characteristics: Firstly, these are three Member States with high Turkish migrant populations, where the “Turkish issue” plays an important role in the formation of domestic politics. Secondly, these are more well-off Eurozone countries that act together in the construction of policies at the EU level towards Eurozone crisis. Lastly, and perhaps most importantly, two of these three countries - Germany along with Austria - were in pre-election mode (the general elections took place on 22 September and 29 September in Germany and Austria, respectively). On the eve of the elections, Eurosceptic and anti-immigration parties were gaining strength in both countries. According to the public opinion polls conducted ahead of the elections, in Germany, the

⁶⁹ “Berlin erobert über Kritik Ankaras an Merkel”, *FAZ*, 21 June 2013

⁷⁰ See for example “Türkei: EU-Einigung auf Eröffnung von Beitrittskapitel”, *Stern*, 25 June 2013; “Debatte über EU-Beitritt der Türkei: Westerwelle verwundert über scharfe Reaktion aus Ankara”, *Spiegel Online*, 20 June 2013

⁷¹ Günter Seufert (2013), “Türkei”, in Werner Weidenfeld and Wolfgang Wessels (eds.), *Jahrbuch der europäischen Integration*, (Baden-Baden: Nomos), p. 136

recently established AfD was on its way to pass the 5 percent threshold and hold parliamentary seats⁷², whereas in Austria, the Freedom Party of Austria (FPÖ) was competing with the centre-right coalition partner Austrian People’s Party (ÖVP) for the position of second most powerful party in the Austrian parliament.⁷³ Thus, centre-right parties could have easily lost some votes to the far-right and Eurosceptic parties if their voter bases had noticed a drift from the parties’ traditional Turkey policies. Particularly in Germany, Eurosceptic attitudes were accompanied by strong opposition to further enlargement of the EU. According to the Eurobarometer Spring 2013 survey, 75 percent of Germans were reluctant to the further widening of the EU.⁷⁴ Merkel’s support for the opening of Chapter 22 ahead of the elections could have been a risky gamble in view of the success of the AfD and her coalition partner FDP’s unsuccessful election campaign and struggle to pass the five percent threshold. The German veto attracted heavy criticism from European leaders. Carl Bildt, Sweden’s Foreign Minister stated: “German elections are a good thing, but it cannot be an excuse to postpone everything else in Europe.”⁷⁵ Carl Bildt’s statement seemed to regard the role of Turkey’s EU accession process in the German elections and German government’s business-like attitude towards Turkey-EU relations. Although most Member States did not favor the delay of talks on Chapter 22, they agreed to the German proposal to postpone talks with Turkey until after the presentation of the progress report on Turkey. The release of the report was conveniently scheduled for after the German elections. Following the elections, the German government not only dropped its veto on Chapter 22, but also called for talks on Chapters 23 and 24. These chapters concern issues related to the judiciary, fundamental rights, justice, freedom and security. They are at the crux of the Turkish democratization process and the maintenance of a stable political environment in the country, which is of utmost importance for German

⁷² <http://www.wahlrecht.de/umfragen/allensbach.htm> Allensbachumfrage, 19 June 2013

⁷³ <http://neuwahl.com/index.php/2013/06/23/wahlumfrage-osterreich-spo-28-ovp-25-fpo-18-grune-14-ts-9-bzo-2-kpo-1-pirat-1-sonst-2-galluposterreich-n4004-90-23-06-2013-sonntagsfrage/>

⁷⁴ European Commission (2013), *Standard Eurobarometer*, 79/Spring 2013, p. 125,

http://ec.europa.eu/public_opinion/archives/eb/eb79/eb79_publ_en.pdf

⁷⁵ Bruno Waterfield, “EU delays Turkish membership talks amid protests”, *The Telegraph*, 25 June 2013

economic and foreign-policy related interests. The political turmoil during the Gezi Park events demonstrated the strong link between political and economic stability when the Turkish stock market witnessed the biggest daily drop in a decade and the Turkish lira decreased. Such incidents affected German companies’ business performance in Turkey, as well. Consequently, the BDI warned Turkey in a written statement about the economic implications of political instability.⁷⁶ German government’s call to open chapters 23 and 24 can thus be evaluated in view of the direct effects of the instability in Turkey for the preferences and interests of German domestic constituents.

Conclusion: A Constrained Leader’s Inconsistent Turkey Policy

The above analysis suggests that Moravcsik’s LI constitutes an adequate and useful framework in explaining the similarities between Germany’s approach to steering the Eurozone crisis and its Turkey policy - particularly vis-à-vis Turkey’s EU accession process - since the onset of the Eurozone crisis. In both matters, the German government formed its preferences based on issue-specific concerns of the strongest domestic groups in the country. The study of the German attitude towards policy coordination in matters related to the Eurozone crisis as well as its fluctuating stance on the opening of a new chapter in membership negotiations with Turkey elucidates the key characteristics of Germany’s new European policy: It is a policy that is greatly constrained by the domestic constituents, who have started to pay increased attention to German government’s handling of issues related to European integration since the outbreak of the Eurozone crisis, in view of possible negative externalities.

⁷⁶ “Gewaltsame Proteste: Deutsche Wirtschaft sorgt sich um Stabilität in der Türkei”, *Spiegel Online*, 18 June 2013”

Germany’s overall capabilities and resources help the German government exert significant influence in the EU institutions and decision-making processes through its European policy. In that sense, changes in Germany’s European policy and German power in the EU are two sides of the same coin. The paper scrutinized the metamorphosis of German power in the EU by elucidating the changes in the key parameters and premises of its European policy. It has revealed that the steady progress of European integration process and competence transfer from the national to the EU level culminated in the domestication of Germany’s European policy; in other words, various societal actors and groups started to pay increased attention to the negative implications of EU-level policy coordination for the realization of national goals and the quality of democratic governance in the EU, and emerged as co-shapers of Germany’s European policy by defining their preferences very precisely and constraining the actions of the German government. The Eurozone crisis and the substantial gap between European expectations from Germany and the preferences of German domestic groups such as German business interest groups, the FCC and public opinion reinforced this trend. Since strong German domestic groups had so far been less affected by the Eurozone’s problems than those in most of the other Member States, they have been extremely reluctant to a policy-coordination and cooperation at the EU level, which would be primarily realized in line with the preferences of Member States in dire need for aid and would impose significant costs on them. Accordingly, German domestic constituents defined their interests and preferences very precisely since the onset of the crisis, and put pressure on the German government for the formation of national preferences in line with their interests. The analysis has demonstrated that the German government adopted policies consistent with the demands of the above mentioned actors. The Eurozone crisis provided a window of opportunity for societal constituents to set the limits and boundaries of Germany’s European policy, making Germany and Chancellor Merkel a “constrained leader” in the EU.

As far as the German government’s attitude towards Turkey’s EU accession process is concerned two important points emerge, which prove LI’s usefulness in explaining German policy-making vis-à-vis Turkey: Firstly, with the outbreak of the Eurozone crisis, a constrained leader’s Turkey policy has also become increasingly dependent on societal actors’ preferences. An interesting point is that following the outbreak of the Eurozone crisis, the policy externalities that could have arisen from the acceleration of Turkey’s EU accession process with the opening of a new chapter in negotiations with Turkey have been perceived by different societal actors in different ways. Domestic constituents like representatives of the German business world, the Foreign Office or German political elite (including CDU politicians) saw the opening of a new chapter in talks with Turkey, and consequently the enhancement of EU/German-Turkish relations as a way to eliminate the negative economic and security-related externalities arising from the Eurozone crisis, the instability in the broader Middle East and Africa and other global challenges such as the supply of energy security in Europe. On the other hand, since the outbreak of the crisis, Eurosceptic and anti-enlargement attitudes had been gaining strength within the German public opinion due to discomfort from Germany’s role as Europe’s cash dispenser. Thus, following the onset of the Eurozone crisis, domestic economic and security interests have been confronted with public distrust in the EU and its further widening, which led to inconsistency in German policy-making vis-à-vis Turkey. Merkel’s government first backed the opening of Chapter 22 in EU-Turkey talks, then voiced its objection to the relaunch of talks few months prior to German federal elections, and ultimately, in October 2013, gave its green light to open Chapter 22 in the post-election atmosphere. Thus, during the election campaign, public opinion, in other words, voters became the most powerful domestic actors whose preferences influenced national preference formation. Secondly, despite criticism and disapproval from other Member States pertaining to Germany’s unilateral call for the delay of talks on Chapter 22, EU Foreign Ministers agreed to the German proposal to postpone talks with Turkey until after

the presentation of the progress report on Turkey, which was conveniently scheduled for after the German elections. This demonstrates Germany’s increasing bargaining power vis-à-vis other Member States since the onset of the Eurozone crisis in view of the growing asymmetrical interdependence between Germany and the rest of the EU. Hence, the Member States’ approval of the German proposal can be perceived as a side-payment to the German government in their attempt to expand their significantly constrained win-sets in the negotiations over Eurozone crisis.