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Old Priorities, New Cabinet: Germany's Unchanged Policy on the EU

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In contrast to Poland, Germany's policy toward the EU has for decades been shaped by stable consensus among the incumbent parties. This political alignment explains why the "Europe" section of the April 2025 coalition agreement between the CDU, CSU and SPD has not triggered fundamental controversy between these parties. Coupled with the strong institutional capacity of the German state, this consensus ensures that these partially cross-party EU policy positions rapidly and with relative effectiveness translate into action within EU institutions. Against the backdrop of what can generally be described as "interesting times" in international politics, it is therefore good news that Germany's policy on the EU is unlikely to suffer significant upheavals, not at least until the next Bundestag elections. In principle, the path chosen in 1993 appears set to persist, with only limited tweaks. The big question is whether this long-term stability serves the best interests of Germany, Europe in general, and Central Europe in particular.

POLICY CONTINUITY

The coalition agreement affirms: "We will embrace every opportunity to strengthen the EU's capacity for action and its strategic sovereignty. More than ever before, the EU needs a strong Germany, contributing with the European belief, ideas and commitment." This language echoes Chapter VII of the 2021 coalition agreement between the SPD, Greens and FDP, titled "Germany's Responsibility for Europe and the World", as well as Chancellor O. Scholz's (SPD) late August 2022 "Europe" speech (Europa-Rede in German) in Prague, which likewise focused on strengthening European sovereignty. The 2025 agreement envisions this sovereignty being built on a revitalized "German-French" partnership, an idea already gaining traction in the German press. Under this agreement, the vision also includes expanding this Franco-German leadership to include Poland through the Weimar Triangle, and

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possibly entering into a broader "Weimar Triangle Plus" format additionally incorporating Spain and Italy. However, this raises the question of whether this enlargement will shift the priorities enshrined in the coalition agreement and the EU policy itself to better reflect Poland's interests? Will Poland, with its multiple shared interests with Central European countries that are not in the Triangle, be effectively represented in this format? This will depend solely on the priorities of Poland's current governing coalition.

In his 2022 speech, Chancellor Scholz identified the core components of European sovereignty: constitutional control over the Member States based on Article 2 TEU, a larger EU budget with increased own resources, ending unanimity in Council and European Council decision making, particularly regarding Common Security and Defense Policy, and developing a collective European defense framework. All these ideas were echoed in the coalition agreement of April 2025, albeit having been slightly updated to account for the present context.

In the same 2022 address, Scholz advocated for EU enlargement to as many as 36 member states, conditional on the EU's structural reforms. This same *iunctim* is now explicitly stated in the coalition agreement: "The enlargement of the EU and its absorption capacity must go hand in hand. We therefore need consolidation and reform of the EU, at the latest with the next enlargement, in order to strengthen its institutions. The principle of consensus in the European Council must not become a constraint on decision-making." In principle, this also applies to other EU Council decisions still governed by unanimity. The coalition builds on the 2023 Franco-German Joint Working Group report *Sailing on High Seas: Reforming and Enlarging the EU for the 21st Century*, proposing that all available treaty mechanisms by used to implement reforms and that enhanced cooperation be pursued within a "multi-speed Europe". This vision includes four integration circles from the aforementioned report, an option meant as an alternative for both candidate states, as explicitly mentioned in the coalition agreement, and current members unwilling to join a fully federal EU.

What remains unclear is the new coalition's position on expanding the powers of the European Commission and the European Parliament. As regards the latter, the agreement mentions the "development of electoral law", but it is silent on whether this includes backing for transnational electoral lists, which would replace allocating seats in Parliament based on nationality with pan-European representation, a significant shift that still lacks clear endorsement.

NEW HIGHLIGHTS

Only a handful of new policy elements stand out in the EU-related section of the agreement. The CDU and CSU have left their mark emphasizing that the EU policy of the prospective government of the FRG promote economic growth driven by market principles, tighter fiscal discipline within the EU, and stronger enforcement of the subsidiarity principle. They also call for slashing red tape and limiting bureaucratic overreach, both at the European level and within the member states, particularly where new obligations are imposed by EU legislation. There is also a focus on strengthening regional support mechanisms.

While these themes are certainly relevant to Central Europe, it is worth noting that, both in Germany's activities and in the coalition agreement itself, German industry remains the clear priority, followed by European industry as a whole. The EU is expected to retain its role as an industrial powerhouse, with the coalition agreement specifically highlighting key sectors: energy, medical products, pharmaceuticals, digital technologies, telecommunications, transport (including aviation), and defense. The bloc's climate targets for 2050 remain unchanged, but their implementation is expected to balance economic, environmental, and social sustainability. Cutting bureaucracy and administration costs, also from a business efficiency perspective, is a specific leitmotiv evident throughout the agreement. Still, relying on the European Commission to lead on this front may be insufficient. As Polish entrepreneur Rafał Brzoska, speaking in his social role on the Government Task Force for Deregulation, observed: "Officials and bureaucrats in Brussels do not want change. And we, as member states, as the Polish presidency, must say in Brussels: 'Stop. Dear bureaucrats, you will not deregulate yourselves. It is us, as taxpayers into the EU coffers, that should deregulate the bureaucracy, including here in Brussels'." A German-led, or even Weimar-Triangle-plus backed initiative in this area would carry real weight. So too would a serious push to uphold the principle of subsidiarity, i.e. ensuring that EU decisions are made as close to citizens as possible. Sadly, for decades now, this legitimate principle has only been invoked to legitimize the EU's constant expansion of powers.

The coalition agreement places significant emphasis on EU finances. The coalition parties call for stricter budgetary discipline in the EU, though this position sits uneasily with Germany's recent decision, pushed by the CDU, to release the domestic debt brake. The CDU, CSU and SPD also urge the European Commission to present a repayment schedule for the 'Next Generation EU' debt package and insist such financial instruments should remain exceptional. The agreement also reaffirms that 'In the interest of stable finances and in accordance with the European treaties, Germany is still not responsible for the liabilities of other Member States', a position consistent with the rulings of the German Federal Constitutional Court (FCC), which makes two explicit references to the constitutional prerequisites for

Germany's membership in the EU. The FCC has upheld treaty-based constrains on EU fiscal policy. The coalition also expressly reaffirms respect for the Bundestag's co-decision powers on EU policy, rooted in over three decades of the FCC's jurisprudence emphasizing that fundamental decisions concerning the functioning of the state must rest with the Bundestag.

From the perspective of Poland and other Central European countries, the coalition agreement's reference to cohesion policy is particularly noteworthy. It describes cohesion funding as 'an important pillar of a Europe based on solidarity and a key instrument for strengthening competitiveness, innovation and the equal development of all European regions', including the 2028+ financial perspective. The cohesion policy should focus on regions, which are expected to contribute to shaping and implementing this EU policy, working together through the Committee of the Regions. However, direct ties between the regions and Brussels could accelerate a shift toward federalization.

The declared support for the enlargement of the EU to include the Western Balkans, Ukraine and Moldova, makes cohesion policy even more critical. Understandably, this expansion raises concerns among its current beneficiaries about future funding levels. For Poland, this creates both a challenge and an opportunity: to work with the new German government, within the Weimar Triangle, towards shaping the cohesion policy of tomorrow. That means advocating not only for adequate funding, but also for improved implementation practices, particularly when it comes to regional infrastructure and economic competitiveness of the region across Central Europe.

A CENTRALIZED EU?

The direction of Germany's policy on the EU, as outlined in the coalition agreement, especially when combined with the momentum of the EU's institutional machinery, points to a potential future in which the Union becomes increasingly centralized, with an even broader mandate in areas like taxation, and Common Foreign and Security Policy. Such a future international organization or European state spanning nearly 540 million people from Lisbon to Kyiv, will face serious structural challenges. These stem from the vast economic and social disparities between the member states, as well as a range of geopolitical risks they each contend with.

From the outset of European integration, boosting the economic capabilities of participating countries has been a priority. While – despite occasional social costs – accession has brought undeniable benefits, chief among them access to the single market, newer member states have made their entries at the lower rungs of supply chains, which are largely managed by Germany, a country that still remains the world's third largest exporter. Today, however, neither the EU's overall economic climate nor Germany's own economic performance provide the same economic advancement for new member states as in the past.

For Central Europe in particular, this model has yielded mixed results. After twenty years of membership, most countries in the region have reached an average of 53% of the real GDP levels of their Western European counterparts. The wealthiest of the former, Slovenia, stands at 76% of the EU average, with Poland at 51% and Romania at 35%, while most other Central European member states have merely surpassed the 50% mark.1 In 2022, the then-president of Poland's Bank Gospodarki Krajowej, Daszyńska-Muzyczka, estimated that a staggering €650 billion in further investment is needed to modernize the region's logistics, energy, and digital infrastructure.2

Recent high-level EU policy documents, such as the Draghi report and, more recently, the European Commission's White Paper for European Defense – Readiness 2030, rely on deeper centralization of economic decisions at EU level. However, they offer little in the way of tailored economic development strategies for the 10 member states that joined the EU in 2004, 2007, and 2013. A case in point: under the EU's Act in Support of Ammunition Production, with a total budget of €500 million, Polish firms secured just €2 million in funding. Another revealing indicator, the coalition agreement's target of 3% of GDP for research and innovation spending, illustrates the extent of the problem. In 2023, the EU average research and innovation spending stood at 2.21%, with Slovenia being the only Central European country to exceed 2%, and Romania trailing at just 0.52%3. These disparities are reflected in funding rates in Important Projects of Common European Interest (IPCEI)4, where Central European involvement remains minimal.

This leads to a vital question: as the EU heads towards much-needed technological breakthroughs financed in part through debt instruments that are then collectively repaid by all member states, their consumption remaining under the central management of EU agencies, will Central European member states enter a path to the much coveted economic status of West European economies?

Another structural issue is the broad scope of EU mandates, which

[1] K. Popławski, S. Baniak, A glass half full. Searching for new sources for economic growth, Warszawa 2024, p. 9.

[2] Szczyt Trójmorza w Rydze. Prezes BGK: okazja do rozmów o rozwoju infrastruktury w regionie, 2022. https://polskieradio24.pl/artykul/2983753,szczyt-trojmorza-w-rydze-prezes-bgk-okazja-do-rozmow-o-rozwoju-infrastruktury-w-regionie. [Accessed 17.01.2025].

[3] R&D expenditure, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=R%26D_expenditure [Accessed 23.04.2025]

[4] Approved integrated Important Projects of Common European Interest (IPCEI), https://competition-policy.ec.europa.eu/state-aid/ipcei/approved-ipceis_en

Germany's vision would expand further still. Can one realistically expect such a huge and diverse union to be steered through a maze of overwhelmingly intricate policies? In addition, the coalition agreement suggests that mechanisms of systemic oversight over the member states will be strengthened. Combined with a sluggish economic trajectory, this could easily become fertile ground for rising Euroscepticism.

Last but not least, a fundamental tension remains unresolved: how can real democratic legitimacy be established for EU-level decisions. According to the case law of the FCC, explicitly cited in the coalition agreement, decisions of significance for the German people must be taken by the Bundestag (the national parliament), in line with the Basic Law in force in Germany. However, the coalition agreement is silent on how to reconcile centralization with the actual retention of competences by national parliaments.

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