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Defending Germany's European Policy

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Without any doubt, Germany's chancellor Angela Merkel and her government have shaped the course of the never ending euro and sovereign debt crisis management to a very large extent. One has to remember, however, that Angela Merkel was rather reluctant to adopt a dominant role within this process, she even was accused of inaction and hesitations by her predecessor Helmut Kohl, and Poland's foreign minister Radek Sikorski confessed in November 2011 that in the light of the tremendous crisis he feared German power less than German inactivity. In fact, no later than May 2010, chancellor Merkel had plainly recognized the real scale of the dangers threatening the eurozone when she uttered for the very first time her new mantra: «If the euro fails, Europe fails». Merkel's and Germany's strong commitment and huge contribution to saving the euro have been clearly and consequently guided by a doctrine of severe budgetary discipline, austerity and structural reforms. With the decision of all 17 eurozone countries plus further 8 EU member states to contract a new fiscal compact, these German positions prevailed and became, in December 2011, officially the new eurozone consensus. Despite the fact that each of the numerous steps towards this new treaty was undertaken by the Franco-German tandem called Merkozy, it was chancellor Merkel who was accused of an exaggerated austerity obsession which – as her detractors asserted – would ruin Europe. Particularly after the victory of François Hollande on 6 May, Merkel appeared more and more isolated and her leadership role was increasingly criticized. Confronted with Hollande's campaign driven hazardous claims for a debt financed growth pact, Euro-bonds and a weakening of the austerity course – claims which were immediately seized by numerous other European leaders – Merkel was addressed as stingy Mrs No. These stances overlooked, first, that it was Angela Merkel who in March 2011 had strongly advocated to Euro Plus Pact which is supposed to spur amongst other things growth and competitiveness in Europe and, second, that Germany's excellent economical situation had been reached through profound reforms during the previous decade.

But now, only six weeks after the French presidential elections, the situation has evolved considerably; again, Germany has the chance to strongly influence the upcoming decisions which are necessary to finally overcome the euro and debt crisis, including to find solutions which will allow the new Greek government to conform to its obligations. But it is still more important to offer a long term perspective. In this purpose, several German political leaders have developed very recently an ambitious strategy for the future of Europe. With the proposals of Wolfgang Schäuble, German Finance minister, of Jens Weidmann, president of the Bundesbank and of chancellor Angela Merkel herself to launch a European growth pact based on structural reforms, to reach for a Fiscal Union and finally for the establishment of a strong Political Union, Germany convincingly demonstrates its commitment to a further deepening of the integration process including large scale sovereignty transfers to European institutions. For sure, with this, Germany clearly opposes the claims of Barroso and others to promptly create a banking union, a European deposit guarantee scheme

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or Eurobonds. At present, such solutions are in German eyes an untrustworthy attempt of (southern) European fellows to make Germany pay for other countries' lack of budgetary discipline and competitiveness; moreover, the Federal Constitutional Court would hardly let them pass. Recently, chancellor Merkel said openly what most of the Germans are thinking quietly: on 14 June in Parliament, she first stressed Germany's commitment to reliably contribute to the stabilization of the euro; but then she warned: «Even Germany's strength is not endless, Germany's powers are not unlimited», pleading once again «to move step-by-step on our path to a Political Union».

In other words: For Germany, all the present claims for a “communitarization” of eurozone members' sovereign debts can at the most be realized at the end and as the fulfillment of a long process establishing a strongly integrated Political Union and a truly common euro-governance. Who else of the European heads of State and governments is ready to join this ambitious German vision, who else does accept to abandon substantially national sovereignty rights in order to finalize Europe's unity? Angela Merkel is waiting for them.

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