

Deutschland über Europa?

Since the World Cup of 1966 there has been a number of occasions for the British to hear the first lines of the German national anthem: "*Deutschland über alles*.

Über alles in der Welt" ("Germany above all, above all in the world"). Should a new line be added in the wake of the recent Greek crisis, and in the wait for the next one? Then it would go as "*German above Europe*". Other European countries, their public opinion and leaders should pay heed, even if this distracts a bit from more inward-looking issues. After all, much of each country's legislation is now built at EU level, for better or worse.

Up to recently, the German policy, whatever the government, could be summed up as: "*What's good for Europe is good for Germany*." Though reluctantly, the acceptance of the euro was one of the latest and clearest signs of that trend. The shift of these last weeks is increasingly regarded as a move in a more self-centred direction. Or : "*What's good for Germany should be good for Europe*." In history books, the arrogance shown by Angela Merkel and her coalition partners will probably stand close to Margaret Thatcher's most famous acts. It started with press campaigns, proposals from backbenchers to sell Greek islands, got on with a former German finance vice-minister asking all Southern-Europe economies (including France) to get out of the Eurozone if they don't behave like Germany. The Chancellor's aggressive posture came on top, whose only sign of flexibility was to finally admit IMF's intervention, a humiliating defeat for the European Central Bank and eurozone ministers. This time, not only Germany's face was saved, but also most of Germany's economic and monetary interests. The French were forced to reach a deal, and for the others it was just a fait accompli. In the short term, Greece will be "rescued" (for how long, by whom and at what cost?). In the long run, Germany (again) wants more integrated (who said more German?) fiscal policies and stronger economic co-ordination. It is up to a EU president who looks since his non-election as a servant of the Franco-German holy alliance to push forward the integration path. Can, and will other EU nations, and not only the UK but also some Nordic and Eastern countries, accept that?

The Franco-German alliance that has ruled the EU over five decades is based on the two following ideas: the French want further political integration while the Germans look for deeper economic integration. Both have been followed by a core of nations (Belgium, The Netherlands, Luxembourg, Italy, Spain) which now represent a minority, perhaps not in terms of population (well, at least their representatives) but certainly in the number of states. Despite this, and a growing Euroscepticism in public opinion (the Lisbon treaty would have been rejected in a majority of member states had it been submitted to referendum), Berlin, Paris and Brussels -we mean the Commission- keep on pushing toward more integration and harmonisation. These ideas, much liked mainly by the Christian Democrats and the Socialists, should be dealt with caution by liberals and democrats.

Don't get me wrong. The German model has its pluses:

- an export machine unmatched in Europe,
- diversified economic fabrics,
- good productivity,
- high-skilled workers (also thanks to effective training schemes),
- social protection,
- product quality,
- global brands,
- lower public deficits,
- efficient infrastructure,
- etc.

Some of those virtues, not always fairly acknowledged by its opponents would be worth considering or emulating, and not only in Greece but also in other European and beyond countries, for example. But should the whole German model, notably the obsessive attention to inflation, be exported across Europe? Why should Berlin be entitled to pursue expansion goals to the detriment of others' demand-oriented policies and at worst encourage deflationary policies? And should the euro be valued like the former mark?

The current crisis is providing Germany the opportunity to make its control over the eurozone explicit, before its own demographic problems catch up with it, with all related costs. Paying for the others now could mean others knocking at the door soon and... not paying for "us" in the future. It has a limited window of opportunity to make or break its leadership of the EU. Germany's birth rate is lower than all of the major European powers, including the UK, while its population is significantly older. This is not to say that controlling Europe will help Berlin solve its demographic problems, just that if Berlin is ever going to take command, the time is now.

The alternative to further integration and "Germanisation" could of course be disintegration. But it might also mean, more positively, a EU with less tentacles. Can and will Germany accept this? That's the big question. The most often heard answer is no. So what then?

"When the time comes, Europe will need Germany to be Bismarck and Germany will need Europe to want a Caesar," concludes US intelligence group Stratfor in a recent analysis. Not to say that you should be ready to jump on the Spitfires, but it sends shivers, doesn't it?

Between the devil -i.e. EU's excessive integration dominated by Germany and France (to a lesser extent)- and the deep blue sea -i.e. EU's disintegration with... German domination- the British approach to Europe -mostly consisting of a free-trade area with, depending on the parties, a number of joint initiatives or common policies- might prove the right one. Ironic, isn't it?

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