

Germany's fixation with financial stability is primarily linked to two figures, Wolfgang Schäuble, the influential Minister of finance, and Jens Weidmann, the President of Bundesbank. The two are among the most tenacious supporters of austerity policies. In these past years of financial crisis they seldom spared southern European countries sharp critiques aimed at their lack of rigour, while praising German virtues. Over the last few months some of these critiques have been directly aimed at Mario Draghi: Schäuble and Weidmann claim that quantitative easing goes beyond the Bank's mandate, is ineffective, and, above all, detrimental to savings and even to German political stability.

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By comparison, Angela Merkel is a rather reassuring character. Her adversity to Eurobonds is well known, as is her "do your homework" attitude. And yet her language is more courteous, her style not as aggressive, sometimes even hesitant. Her new immigration initiatives have made her look humane and hospitable. "Come on, we can make it", she said in Munich last September, opening the borders to Syrian refugees. Her shrewd behaviour allows her to play the role of the "good mother" – *Mutti*, in German – resolute with her children, but also accommodating when required by the occasion.

### The Merkel system in Germany...

Apart from these elements though, what is Angela Merkel's true nature as a political leader? You do not run a great country for over ten years without leadership skills, without an effective strategy to reach and maintain power. A few years ago, Ulrich Beck's controversial book depicted Angela as "Merkievelli", to single out her most salient features: opportunism and ambition. Wolfgang Streeck, former director of the Koln Max Planck Institute for Social Research, as well as an heir to the Frankfurt School, traced a similar profile. His essay, which

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appeared in the *Frankfurter Allgemeine Zeitung* May's issue, offers an even sharper critique of Merkel than Beck's: Merkel is a postmodern leader, with a premodern disdain both for values and people: a threat to German democracy and to the future of the EU as a whole.

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Within Germany, the "Merkel system" aims at selectively de-mobilising political adversaries. If a controversial issue arises, the Chancellor keeps quiet at first, then pretends to agree, careful not to upset the favours of public opinion. She never makes straightforward commitments, and when the clamour fades away Angela decides as she likes: either changing idea, as she did on nuclear energy, or reconsidering her position, as she did on refugees. When she realised—due to the increasing migration flows arriving from the Balkan route—that German administration "couldn't make it", that opposition was growing in Bavaria and in other *Lander*, and that electoral support was diminishing, the Chancellor reconsidered: she gave up her commitment to free access and tried to put pressure on other countries, so "Europeanizing" costs and responsibilities.

The refugee crisis has laid bare another element of the Merkel system: the institutional self-confidence, which turned the Chancellery in a sort of personal presidency. Between September and January, Merkel oversaw the crisis using powers she could not actually dispose of. The Interior Minister was excluded from the main decisions, and no parliamentary or governmental authorization sanctioned her decision to open borders. However, raising doubts about the legal framework of the new *Wilkommenspolitik* meant "playing the right wing's game"—an accusation that carries a rather heavy rhetorical significance in the German political and intellectual *milieu*. Another trait of the Merkel system, according to Streeck, lies in the dismissal of any sort of dissent: only who is prone to deference—to the *sacrificium intellectus*—can enter the system.



#### ...and abroad

The Merkel system is operating on the European front too. The idea underpinning its strategy is that the European interest should coincide with Germany's. "Coincide" here means that European interests should be subordinate to those of Germany, and not the other way around. The ideal of a European Germany, wished for by Thomas Mann and other thinkers after him, has progressively been replaced by that of a German Europe. What is good for Germany is, by definition, good for all other member countries. According to Streeck, Merkel and her entourage see nothing immoral in what they do. On the contrary, they claim their actions to be the quintessence of morality. The Merkelian intelligentsia sees German leadership in the EU as the victory of post, or better anti-nationalism, itself a product of German history. Thus, as if it were self-evident, Berlin's national interest is assumed to be morally superior to that of others.

Streeck's position again follows Beck's in this case. The latter (who sadly passed away last year) had observed a resurgence of some of Germany's less admirable features, such as the presumption to know truth and have a monopoly over it, the reluctance to acknowledge different views of the world, to accept confrontation with opposing standpoints, and a moralistic attitude. This is a political diagnosis shared, among others, by Habermas in some recent interviews.

Streeck's work sparked debate. A number of observations were raised in the media challenging his views, despite acknowledging some elements of truth in its analysis. <u>Gustav Seibt</u> argued, in the *Suddeutsche Zeitung*, that Streeck's argument overlooks the Draussen, namely the reality that is external to Germany and involves different actors, which in turn influence the Chancellor's decisions. What may seem as self-interest is often an unavoidable adjustment to sudden external changes: that is, the *Draussen*.

The overall cold reaction to Streeck's thesis is also due to his generally negative outlook on European integration, which he describes as a neo-capitalist Trojan horse: this is the thesis he supports in his last book, <u>Buying Time</u>. The real challenge, Streeck claims, is not *if*, but *how* to protect Europe from the Chancellor, dismantling Schengen, Dublin and the euro itself.

### Ordoliberalism as a public religion

Regardless of how the Merkel system theory should be assessed, the notion of a Germanization of Europe is not limited to the heirs to the Frankfurt school. It is a rather

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rooted and widely debated hypothesis in the European political arena, and not just by Eurosceptics and conspiracy theorists. In a recent book titled <u>Europe's Orphan</u>, Financial Times journalist Martin Sandbu openly attacks Germany's hegemonic claims, backed by French self-interest, and its paternalistic attitudes. Sandbu maintains that the monetary union has been a sound idea and should be preserved, as long as Berlin abandons its obsession for stability and its moralistic disapproval of debt.

# Ordoliberalism has gradually become a "public religion" in the eyes of the German establishment, in particular within the CDU.

But what could trigger this cultural and political change? The cult for stability, and moralism too, are deeply rooted in Germany, owing to the Weimar period of economic collapse and to the ordoliberal doctrines elaborated by some of the founding fathers of the Federal Republic, such as Eucken and Ehrard. During a recent seminar held at the Berlin-based Hertie School of Governance, a number of scholars suggested that ordoliberalism has gradually become a "public religion" in the eyes of the German establishment, in particular within the CDU. Ordoliberal thought is essentially based upon the idea that state power is ultimately needed to entangle society and the political system through market rules and moral discipline. This is an approach that recalls Leibniz's theism, centred around the metaphor of the "perfect clock", at which God would merely look, after having created and regulated it himself. Ordoliberal supporters are guite ruthless when it comes to debtors: as Luther argued, to have a debt is to be guilty (Indeed, in German the word schuld means both guilt and debt). These attitudes of the German élite are confirmed by speeches held by Bundesbank President Weidmann. Speaking in Kronberg in 2014, for instance, he mentioned the amnesty policies adopted by Prussia in the eighteenth century, proudly specifying that these would exclude "murderers and debtors". A joke, no doubt. In political contexts, however, jokes tend to mask evaluative messages (castigat ridendo mores, the Latins said).

Jens Weidman's public speeches are often entertaining and punctuated by revealing metaphors. In <u>November 2015</u>, speaking in Paris he used an image about the EU during the crisis that is worth quoting in full:



"Take the example of a credit card. If it draws on your account, and you are the only one using it, then you will feel the consequences of splashing out. By the same token, if you share a credit card within your family that runs on a shared account, things should be fine as well. But if you give away your credit card without being able to rein in spending, the beneficiary might be unable to resist the urge to indulge. This is why the measures taken so far to contain the crisis have skewed the delicate balance between control and liability."

What is striking about the example is the implicit suggestion that the EU is far from being a family: the "control and liability" principle typically regulates relations among strangers, whom you cannot trust because they are very likely to "indulge" and splash out. But the EMU is not a union of strangers, and debtors are not morally incapable to "behave" by definition. The Founding Fathers frequently spoke of the peoples of Europe as belonging to the same family. The idea of a shared account would not have been considered inappropriate by them.

At the beginning of the twentieth century, Max Weber described the nature and operation of "neighbourhood communities" (*Nachbargemeinschaften*), characterized by durable spatial proximity, historical and cultural affinities. In case of need or emergency, such communities must work principles of "sober brotherhood", capable of going beyond the shopkeeper mentality (Weber's expression). It is precisely "sober brotherhood" that inspired some of the most noble moments in European history (benefitting more or less each Member State over time, including Germany).

### A paucity of alternatives

The prospect of a Germanization is obviously unlikely be appreciated by other EU countries. According to some commentators, this prospect has played a role in the Brexit referendum. And yet, so far no force strong enough has been able to rebalance this situation. France fears the markets, deeming it wise to remain under Berlin's watchful eye, while pretending to weigh as much as Germany in their special relationship. Spain has not been able to form a government for several months and after two elections, and may not recover its traditional political stability for a while. Italy is working hard. However, its structural and economic weaknesses and its traditional unreliability undermine its international image (as <a href="The Economist">The Economist</a> has recently suggested), and prevent her from having a more prominent role in Europe. The only solution seems to be the *Draussen*, namely the actors and dynamics operating outside of the EU and affecting its behaviour—in the area of security, for instance. These could lead the Chancellor and her "system" to pursue the only viable path for Europe

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to survive and become stronger, namely a genuine—as opposed to Germany-dominated—process of Europeanization.

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