

Germany's Unwillingness to Lead

*The Nature and Exercise of its Power, and How its History, Normalization, and Economic Concerns
Have Brought About an Existential Crisis and Reluctance to Lead Alone*

Master of Arts in Law and Diplomacy Capstone Project

Submitted by Ian van Son

Advised by Professor Alan K. Henrikson

May 1, 2013

© 2013 Ian van Son

<http://fletcher.tufts.edu>



THE FLETCHER SCHOOL

TUFTS UNIVERSITY

Thrust into the spotlight by the ongoing crisis in Europe, Germany has found itself forced to question its values and philosophy as a country and what future role it will play in Europe and the world. As the economic and financial situation of Europe worsened over the last few years, calls for Germany, as a powerful European nation if not *the* most powerful, to steer Europe out of difficulty increased. Perhaps the most remarkable of these was the declaration by Poland's foreign minister Radek Sikorski during a speech in Berlin in November of 2011 that he feared "German power less than I am beginning to fear German inactivity," going so far as to say that Germany has "become Europe's indispensable nation."¹ One could hardly ask for a clearer indication that Germany has entered a new era. No direct mention of the Nazi period was made in the speech, rather Sikorski referenced Immanuel Kant, Jürgen Habermas, and the German revolution of 1848. No allusion was made to suspicions of a German drive to dominate Europe, instead Sikorski demanded that Germany accept its obligation to ensure the survival of the Eurozone and to preserve peace on the continent.

How different was the tone of Sikorski's speech from much of the public dialogue that then ensued in Europe. Feeling free to bite the hand that feeds them, people across the continent have since barraged Germany with criticism. Nationalism has flared up in countries such as Greece, not-so-subtle references to Germany's Nazi past have been readily visible, and accusations that Germany is dominating Europe through its economic policies and forcing suffering on other countries have been made. Threats of refusal to comply with further austerity

¹ Radek Sikorski, "Poland and the Future of the European Union" (Speech at the German Council on Foreign Relations, Berlin, Germany, November 28, 2011).

measures supported by Germany have become popular. As even the French distanced themselves from their core European partner in their last elections, Germany has found itself increasingly isolated. It is the target for the exasperation and frustration of many unemployed and financially strained citizens across Europe who have not been impressed with the work of Germany to solve the crisis. Ulrike Guerot and Mark Leonard note that “[r]arely has Germany been as important in Europe – or as isolated – as it is today.”²

What has happened to the calls for German leadership? Nobody said being a leader was easy, but Germany has gone from apparently being the savior of Europe and the only country able to hold things together to being the cruel master that is exacerbating the problems and driving the continent off the cliff. Germany has failed to unite the continent and lead it out of distress. The long, troubled history of Germany and power seems to preclude the possibility that the country could ever successfully fulfill such a leadership role and please everyone in Europe. But what then *is* Germany’s role?

Germany has entered a new era since reunification and the end of the Cold War, and it continues to search internally as well as externally for its new place in Europe and the world. The events of the last five years in particular have made it clear that Germany will be expected to play a greater role in Europe, but is Germany capable and willing to be a leader in Europe and a world power?

Germany’s new post-Cold War position of influence has been made possible by its economic power and its increased profile in Europe. It has the ability to be a game

² Ulrike Guérot and Mark Leonard, *The New German Question: How Europe can Get the Germany it Needs* (London, United Kingdom: European Council on Foreign Relations, 2011).

changer and world power, as well as potentially a leader in Europe. Germany's increased profile has resulted from its reunification, the eastward expansion of the EU and Germany's central geographic position and history with the east, as well as the persistent relevance of the European nation-state contrasted with loosening international organizations and faltering neighbors. Using its influence, Germany has led Europe by acting as a 'patron state,' committing resources to the task of leadership and shaping international institutions through a hegemony embedded in those institutions.

But the Eurozone crisis has tested the limits of Germany's patronage and, in isolating it, caused Germany to step back from a larger leadership role. *German leadership has been prevented by its history, its normalization and emboldened pursuit of its national interests, its stretched economy and fear of debt, and a domestic existential crisis resulting in an inability to agree on its future.* As it is looked to for leadership, Germany is finding itself uncomfortable with being a patron without greater influence, but also with carrying the sole responsibility of leading Europe. Germany's strength is built in large part upon its economy, and when it feels that is stretched, it is at risk of losing power and will be more likely to act in its own interests.

Beverly Crawford's model of German 'embedded hegemony' aptly illustrates this changing balance between leadership through the shaping of international institutions and the increased assertiveness of Germany to act alone when its economy is weak. However, Crawford places too much emphasis on the willingness of Germany to lead and act alone. The Eurozone crisis has seen Germany's position

soften as it caves to pressure from the other countries, and indeed it remains committed to integration. Germany has too much invested in Europe to back away from its commitment to integration and working within the international institutions it has created, but it will seek burden sharing and leadership assistance in the future. Given the headache of the Eurozone crisis, Germany will be reluctant to act alone. *Going forward, it will seek to share the burden of leadership and patronage, wishing to retain the project of integration, but not at the economic and reputational cost that it has recently sustained.*

LEADERSHIP

When we speak of German leadership, what do we mean? Dr. Klaus Kleinfeld, Chairman and CEO of Alcoa, when reflecting on what leadership means, defined it as essentially getting others to do what you want.³ He noted that as a German, he struggled with this concept. Of course, this is historically grounded. Indeed, the very word for leader in German, “Führer,” carries with it tremendous historical baggage. The suggestion of Germany being in control and getting others to do what it wants immediately brings to mind German aggression and expansionism of the first half of the 20th century. This experience left Germany and the world scarred, and resulted in Germany being very self-conscious and anxious to avoid any perception of its policies as antagonistic. But surely this description of leadership is not exactly what Polish Foreign Minister Sikorski had in mind.

³ Klaus Kleinfeld (Speech at German Conference at Harvard 2012, Cambridge, Massachusetts, February 17, 2012).

Sikorski spoke of German power, which is certainly a prerequisite of leadership. Although Sikorski doesn't define this power, he seems to suggest it is both economic and political. Kleinfeld's definition seems to take a realist approach to leadership, seeing it as power used to further self-interest at the expense or at least disregard of others. But must leadership be so hegemonic in nature?

The theory of hegemonic stability in international politics argues that world order is typically created by a single dominant power, and that the more dominant that hegemon is, the more stable interstate relations will be.⁴ However, Robert Keohane writes that a refined version of the theory "does not assert an automatic link between power and politics." Rather, hegemony is a situation in which "one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so," indicating that a state can be powerful enough to become a hegemon, *yet choose not to*.⁵ Keohane goes on to argue that "[h]egemony and cooperation are not alternatives; on the contrary, they are often found in symbiotic relations with one another."⁶

This brings the theory of hegemonic stability closer to a more neoliberal/institutionalist perspective on leadership, which would see it as using power and influence to bring others together within the framework of the institution to arrive at a mutually beneficial conclusion, rather than simply dominating or imposing. This is surely closer to what Sikorski had in mind, even if it does to some extent still involve getting others to do what you want.

⁴ Robert Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 1984), 34.

⁵ *Ibid.*, 34-35.

⁶ *Ibid.*, 46.

REUNIFICATION

A remarkable development in the experiment of European integration, and a key turning point in Germany's modern history, was the sudden reunification of the two German states. When the Berlin wall came down, the question of what to do with East Germany in the context of the European Union was raised. It was decided to allow it to join West Germany and with it, the EU. The expansion of Germany raised its profile and political clout in Europe (it added over 16 million citizens, growing the population of West Germany by over 25%), but it also demonstrated the persistent relevance of the European nation-state and contrasted a growing Germany with a post-Cold War world of loosening international organizations and faltering supranationalism.⁷ This contextual environment increased Germany's visibility and comparative influence. However, while reunification put Germany on the path to become a European leader and world power, it also placed a financial strain on the country and made it wary of stretching itself too far for others. This experience continues to shape the German response to the Eurozone crisis.

The reunification of Germany made it the most populous state in Europe and significantly increased its profile, catapulting it "into the role of a continental great power with global significance."⁸ This was clearly illustrated by Germany's demand that its greater population be reflected in a higher vote weighting in the EU, much to

⁷ Destatis (Statistisches Bundesamt, Federal Government of Germany), "Population," <https://www.destatis.de/EN/FactsFigures/Indicators/LongTermSeries/Population/lrbev03.html>.

⁸ Gregor Schöllgen, "National Interest and International Responsibility: Germany's Role in World Affairs," in *Germany's New Position in Europe: Problems and Perspectives*, ed. Arnulf Baring (Oxford, UK: Berg Publishers, 1994), 40.

the chagrin of France. Indeed, this quantitative and territorial change has meant a change in German identity. After World War II, Germany's distrust of nationalism and search for a new identity meant joining Europe followed naturally. A split nation meant a split identity: what was nationalism when the nation wasn't whole? No longer torn between the two sides of the Cold War, unification meant one could simply be a German once more. This shift indicated a renationalization of Germany, pulling away from a more general European and Western identity.

Reunification has, however, also placed financial strains on Germany. As part of the deal, West Germany agreed to absorb the costs of 'westernizing' its new eastern part. Beyond its high contributions to the EU, it is still dealing with the cost of bringing the former east up to speed with the rest of the country. Chancellor Kohl ruled out any German demands for the European Community to co-finance unification, claiming it would be paid for by Germany over time with growth dividends.⁹ However, as the economy in western Germany deteriorated, his government proposed cuts in the welfare system and the institution of an austerity program, and the Solidarpakt was instituted to transfer funds to the new Bundesländer in the east.¹⁰ As the Solidarpakt program reached its conclusion in 2004, it became clear that its goals had not been reached, and a new program, Solidarpakt II, was instituted to continue transferring money eastwards at a declining rate through 2019.¹¹

⁹ Jeffrey Anderson, *German Unification and the Union of Europe: The Domestic Politics of Integration Policy* (Cambridge, UK: Cambridge University Press, 1999), 36.

¹⁰ *Ibid.*, 40.

¹¹ Bundesministerium des Innern (Federal Ministry of the Interior), "Solidarpakt II von 2005 bis 2019," <http://www.bmi.bund.de/SharedDocs/Standardartikel/BODL/soliII.html?nn=790654>.

Schöllgen points out that Germany's re-unification contrasted starkly with the general trend at the time of political dissolution in Europe, as Yugoslavia and Czechoslovakia came apart.¹² As the bipolar world became multipolar, identities shifted, and as Bertram points out, renationalization increasingly conflicted with supranationalization.¹³ These events have lent Germany greater influence as a nation state within Europe. As other states broke apart and supranationalization waned, Germany grew comparatively stronger. As Krippendorff observes, Germany's powerful position "is largely a function of the weakness of its partners," not the result of its own plan or conscious pursuit of dominance.¹⁴ It is a giant that stands out among weaker countries in the loosened unions of the EU and NATO. Baring observes that as a "tightly-knit group turns into a looser formation its individual members will stand out, the bigger ones more so than the smaller ones."¹⁵

POWER

The German power that Sikorski references is rooted in Germany's size, economic wealth, and commitments to international institutions. Since reunification, Germany has grown to become the preeminent country in Europe. While not a military superpower, this is no longer a prerequisite to becoming a world power. Rather, Germany qualifies through its economic capabilities, which

¹² Schöllgen, *National Interest and International Responsibility: Germany's Role in World Affairs*, 41.

¹³ Christoph Bertram, "The Power and the Past: Germany's New International Loneliness," in *Germany's New Position in Europe: Problems and Perspectives*, ed. Arnulf Baring (Oxford, UK: Berg Publishers, 1994), 97.

¹⁴ Ekkehart Krippendorff, "Germany as a World Power and as a European Power," in *Germany in Europe in the Nineties*, ed. Bertel Heurlin (Houndmills, Basingstoke, Hampshire: Macmillan Press LTD, 1996), 75-76.

¹⁵ Bertram, *The Power and the Past: Germany's New International Loneliness*, 99.

allow it international leverage. Its sizable contributions to international institutions allow it the ability to influence them, and potentially to sabotage them by withdrawing support.

To illustrate the influence that Germany wields, many simply point to the numbers. Germany has the largest population in Europe (81.84 million in 2012 compared to France's 65.33 million),¹⁶ the highest GDP in Europe (3.28 trillion dollars compared to France's 2.56 trillion dollars in 2010),¹⁷ the highest trade balance in Europe,¹⁸ and is number three worldwide in exports (closely following the 1.481 trillion dollars of exports of the United States with 1.474 trillion dollars worth in 2011).¹⁹ As Kenneth Waltz has written, the "increase of a country's economic capabilities to the great-power level places it at the center of regional and global affairs. It widens the range of a state's interests and increases their importance. The high volume of a country's external business thrusts it ever more deeply into world affairs."²⁰ This is certainly the case with Germany. However, although obviously a trade and economic giant, there is division among academics on the question of whether such economic capabilities are sufficient to qualify a country as a world power.

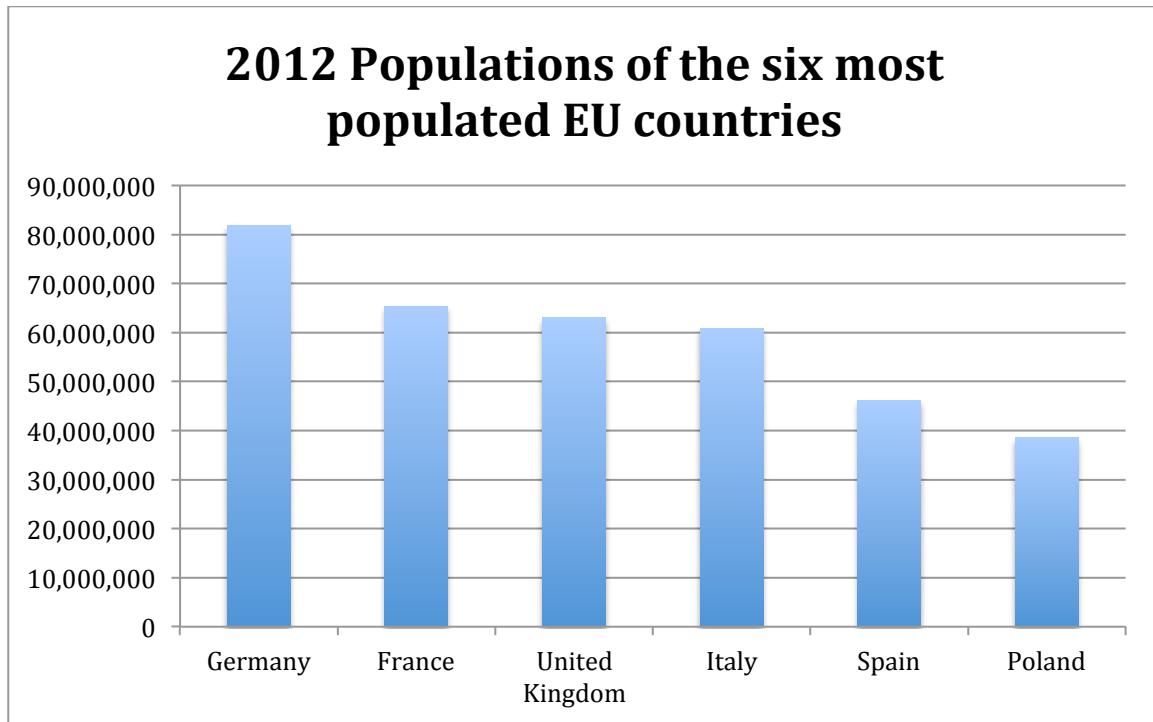
¹⁶ Eurostat (European Union), "Population," <http://epp.eurostat.ec.europa.eu/tgm/graph.do?tab=graph&plugin=1&pcode=tps00001&language=en&toolbox=type>.

¹⁷ Destatis (Statistisches Bundesamt, Federal Government of Germany), "Bruttoinlandsprodukt," https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Internationales/Thema/Tabellen/Basisstabelle_BIP.html#AnkerEuropa.

¹⁸ Eurostat (European Union), "Intra-EU27 trade, by Member State, total product," <http://epp.eurostat.ec.europa.eu/tgm/graph.do?tab=graph&plugin=1&pcode=tet00039&language=en&toolbox=data>.

¹⁹ Destatis (Statistisches Bundesamt, Federal Government of Germany), "Top 20 Exportländer 2011," https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Internationales/Thema/Aussenhandel/Tabelle_Export_2011.html.

²⁰ Kenneth Waltz, "The Emerging Structure of International Politics," *International Security* 18, no. 2 (1993), 64.



21

German political scientist Arnulf Baring, writing about a recently reunified Germany, saw the country as too weak to shape Europe, yet too strong to be easily accepted by its many neighbors.²² Fellow political scientist Ekkehart Krippendorff has stated unequivocally that Germany is not a world power, possessing none of his three conditions, of which a world power must possess at least one. These conditions are the ability to conduct at least two wars or interventions in different regions simultaneously, to own or protect property outside of the country that can be defended militarily, and the ownership of nuclear weapons.²³ Waltz similarly writes that a “great power’s panoply includes nuclear weapons.” But this thinking is

²¹ Eurostat (European Union), “Population,” <http://epp.eurostat.ec.europa.eu/tgm/graph.do?tab=graph&plugin=1&pcode=tps00001&language=en&toolbox=type>.

²² Arnulf Baring, “Germany, what Now?,” in *Germany’s New Position in Europe: Problems and Perspectives*, ed. Arnulf Baring (Oxford, UK: Berg Publishers, 1994), 2.

²³ Krippendorff, *Germany as a World Power and as a European Power*, 81-82.

trapped in a Cold War mentality that is fixated on nuclear capability. This is not a make or break qualification for a world power today. Rather, the essential condition is referenced by Waltz elsewhere, when he notes that today, “without a considerable economic capability no state can hope to sustain a world role.”²⁴

John McCormick rejects the traditional view that the greatest powers are the states with large militaries pursuing their national interests. He argues instead that power can transcend states, be expressed without force, and “can just as likely be latent and implied as it can be active and explicit.” McCormick sees a more complex and nuanced set of international relations as having replaced “old-style power politics,” which has been undermined by globalization and interdependence. Now, “ownership of the means of production is more important than ownership of the means of destruction, and cooperation is more effective than coercion.”²⁵ This fits the Germany we see today, an export nation seeking partners in Europe, rather than acting alone to force its will on others.

Stephen Szabo seems to agree with McCormick, pointing to the concept of the civilian power, or *Zivilmacht*, developed by Hanns Maull, as the “most concise formulation offered to explain the contemporary German strategic culture.” The civilian power concept emphasizes Germany “as a civilian rather than a military power, projecting its influence and seeing its interests in a multilateral rather than national framework.”²⁶ Gregor Schöllgen offers different qualifications for being a

²⁴ Waltz, *The Emerging Structure of International Politics*, 63.

²⁵ John McCormick, *The European Superpower* (Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2007), 2.

²⁶ Stephen Szabo, “Parting Ways: The German-American Relationship After Iraq,” in *Germany’s Uncertain Power: Foreign Policy of the Berlin Republic*, ed. Hanns W. Maull (Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2006), 128.

modern great power, both of which he sees Germany as fulfilling: “the capacity to sabotage the functioning of the international system by non-cooperation” and being “a magnet for a potentially huge army of persecuted, starving and homeless people.” Schöllgen points to Germany’s position in the Europe Union, its economic dominance of Europe, and its considerable military as illustrative of the country’s new importance.²⁷ The EU cannot move without Germany’s agreement, reflecting its power.

University of California Berkeley professor Beverly Crawford, writing most recently, points to many aspects of Germany as indicative of its power. She refers to its large economy, large contributions to the EU (more than any other country), status as one of the world’s top exporters, preponderance of control over markets in Europe, and that it accounts for more of the EU’s exports to other EU states than any other member.²⁸ Indeed, Germany is also the third largest contributor to the UN regular budget after the United States and Japan (contributing around 190 million dollars per year). It will be the fourth largest contributor in 2013 for peacekeeping missions, giving 7.234 billion dollars, and it additionally contributes to the international criminal tribunals for the former Yugoslavia and Rwanda, as well as other agencies, institutions, and individual programs.²⁹

Crawford also points out that Germany has the largest army in Europe, and that in addition to its large role in Afghanistan, by 2002 Germany had more troops

²⁷ Schöllgen, *National Interest and International Responsibility: Germany's Role in World Affairs*, 41.

²⁸ Beverly Crawford, *Power and German Foreign Policy: Embedded Hegemony in Europe* (Houndmills, Basingstoke, Hampshire, 2007) 12, 45, 54.

²⁹ Auswärtiges Amt (German Foreign Office), “Germany’s financial contributions to the United Nations,” http://www.auswaertiges-amt.de/EN/Aussenpolitik/Friedenspolitik/VereinteNationen/StrukturVN/Finanzen/Finanzbeitrag-D_node.html.

in Bosnia, Macedonia and Kosovo than the United States, going on to predict that Germany will “continue to station more troops abroad than any country except the US.”³⁰ Certainly not a military superpower, Germany has only dedicated between 1.3 and 1.5 percent of its gross domestic product to its military from 2000 to 2010 (compared to 3 to 4.8 percent by the United States, 2.3 to 2.6 percent by France, and 1.8 to 2 percent by Poland).³¹ However, as Waltz writes, “the hegemonic power need not be militarily dominant worldwide. The military conditions for economic hegemony are met if the economically preponderant country has sufficient military capabilities to prevent incursions by others that would deny it access to major areas of its economic activity.”³² Surely having the largest army in Europe fulfills this requirement for Germany, and it will be further able to defend its economic interests, as we will come to later in this paper, as it becomes more comfortable using its military and pursuing its national interests.

E.H. Carr divided international political power into three categories: military power, economic power, and power over opinion. It is debatable whether Germany possesses great power in all of these categories, but Carr sees them as “closely interdependent.” Indeed, he sees it as “difficult in practice to imagine a country for any length of time possessing one kind of power in isolation from the others. In its essence, power is an indivisible whole.”³³ Germany’s economic influence has been highlighted by the Eurozone crisis and its military capability is substantial and

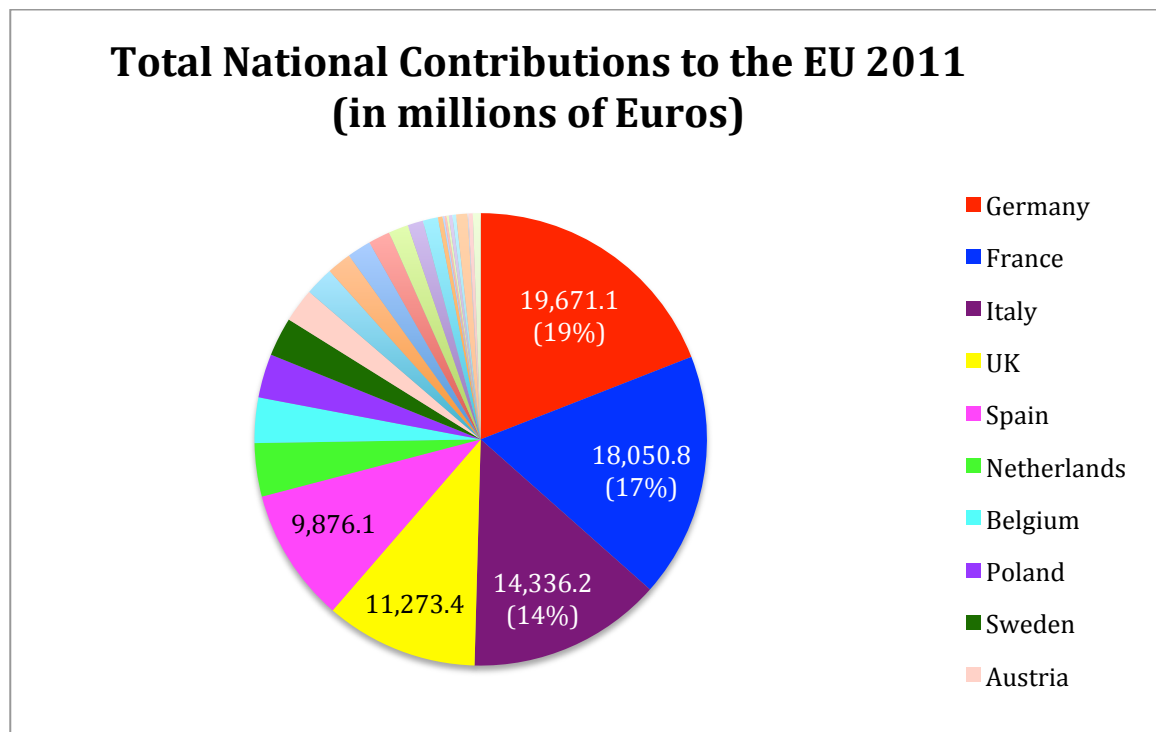
³⁰ Crawford, *Power and German Foreign Policy: Embedded Hegemony in Europe*, 12, 50, 54.

³¹ Stockholm International Peace Research Institute, “The SIPRI Military Expenditure Database,” <http://milexdata.sipri.org/>.

³² Waltz, *The Emerging Structure of International Politics*, 40.

³³ E. H. Carr, *The Twenty Years' Crisis 1919-1939* (Houndmills, Basingstoke, Hampshire: Palgrave, 2001), 102.

arguably either able to defend its economic interests or growing in that direction. These factors translate into power. But Germany’s power over opinion must be called into question following the criticism of its handling of the Eurozone crisis. When Germany speaks, others listen. But despite its power, Germany cannot be called a leader when nobody follows it. Germany’s reluctance to lead and its botched handling of the Eurozone crisis have been detrimental to its power over opinion, as will be discussed later in this paper.



34

EXPANSION

The eastward expansion of the EU has also raised Germany’s profile, thanks to the country’s unique geographic position and history with the east. As the EU

³⁴ European Union, “EU expenditure and revenue,” http://ec.europa.eu/budget/figures/interactive/index_en.cfm.

grew eastward, Germany moved to its center and the Union became weaker and looser as funds flowed to the new members and decision-making became increasingly difficult. Willy Brandt's Ostpolitik during the Cold War turned Germany into a partner in dialogue with the East and established a relationship with the other side of the Iron Curtain that other European countries lacked. Setting Germany up as a doorway to the East, the legacy of Ostpolitik has established Germany as the connection between 'old' and 'new' Europe. The relationship with Poland and Sikorski's remarks in Berlin illustrate this situation. Central Europe is Germany's backyard, and in addition to influence, it has gained from trade as these new markets have opened up.

The German support for expansion was to the discomfort of France, which wanted to limit EU enlargement as it feared the reduction of its power and the prospect of being pushed into the corner in the West.³⁵ Germany, however, had tangible interests in enlargement. Harnisch and Schieder point to five, namely its interest in the durable stabilization of its post-communist neighbors, pacifying the European periphery and securing its democratic transformation, its own economic interest, a feeling of historical responsibility towards the East, and its gratitude to those neighboring countries that played active roles in Germany's reunification.³⁶ Haftendorn expounds that Germany's interest in stabilizing the eastern perimeter reflects its geographic position and the desire to "prevent tremors in its own political and social system that could be caused by influxes of refugees," penetration

³⁵ Baring, *'Germany, what Now?'*, 13.

³⁶ Sebastian Harnisch and Siegfried Schieder, "Germany's New European Policy: Weaker, Leaner, Meaner," in *Germany's Uncertain Power: Foreign Policy of the Berlin Republic*, ed. Hanns W. Maull (Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2006), 102.

of organized crime, or the spread of ethnic conflict.³⁷ These interests led the Red-Green government of the early 2000s to “straddle a growing gap between its political support for enlargement and the limited resources available for the process, as well as between the political exigencies of enlargement and Germany’s commitment to deepening” EU integration.³⁸ Thus, while increasing Germany’s profile in the EU by enlarging the group, widening the EU has also simultaneously undercut Germany’s power and potential to influence others by stretching its resources.

GERMANY STRAINED OR GAINING POWER?

While Germany seems to devote great amounts of resources to supranational institutions and renounces self-interest, straining itself economically, it also gains in influence and decision-making through its patronage. Acting as a patron state, it creates gains for all, but more relative gains for itself. However, Germany cannot be accused of dominating behind a veil of international institutions, as they also restrain Germany by taxing it financially and thus reducing its abilities, as well as by requiring the cooperation of partners. Birckenbach argues that “to some extent, these international and supranational structures hide German power. But they also tame and civilize it by subjecting it to the agreement of partner countries. Germany, today, is an influential player, *but only if it complies with a number of conditions*: It must cooperate, form alliances with other member states and mediate among them,

³⁷ Helga Haftendorn, "Gulliver in the Centre of Europe: International Involvement and National Capabilities for Action," in *Germany in Europe in the Nineties*, ed. Bertel Heurlin (Houndmills, Basingstoke, Hampshire: Macmillan Press LTD, 1996), 106.

³⁸ Harnisch and Schieder, *Germany's New European Policy: Weaker, Leaner, Meaner*, 104.

bargain and compromise. [These structures] continue to condition German power and keep it within limits.”³⁹ Thus, this complicated relationship goes both ways.

A key aspect of modern Germany has been its integration into the EU and international community. Following World War II, this strategy of integrating Germany into the West was seen as a means of preventing it from becoming a radicalized danger to the world ever again. European integration was a strategy of control, but from the German side, the strongest motive was the opposite: to get rid of control, free itself from occupation and regain sovereignty, becoming a trustworthy and embedded partner which would become equal to its neighbors.⁴⁰ This contradictory strategy required subduing national interests in order to regain sovereignty. As a result, German leaders have tended to shy “away from pursuing foreign policy that served the ‘interests’ of the Federal Republic alone ... preferring to express goals in idealistic and humanitarian terms” and aligning goals with larger groups whenever possible.⁴¹ Indeed, Adenauer did “affirm the idea of Europe as a means of overcoming Germany’s disastrous traditions of Great Power politics and atavistic nationalism,” consciously embracing western multilateralism.⁴² Germany was not to be an occupied zone, nor a forceful hegemon, rather it was to be a peaceful European partner.

However, as Germany has become increasingly powerful over the last sixty years, some have questioned whether this system has successfully subjugated

³⁹ Hanne-Margret Birckenbach, "German and European Integration," in *The New Germany: History, Economy, Policies*, ed. Reimund Seidelmann (Baden-Baden: Nomos Verlagsgesellschaft, 2011), 334.

⁴⁰ *Ibid.*, 319.

⁴¹ Hans-Peter Schwarz, "Germany's National and European Interests," in *Germany's New Position in Europe: Problems and Perspectives*, ed. Arnulf Baring (Oxford, UK: Berg Publishers, 1994), 108.

⁴² *Ibid.*

Germany and bound it to Western interests, or whether Germany has used these channels to exert its influence and instead pull others in line with its own agenda. Crawford asks whether “international regimes provide a veil behind which Germany exercises self-interested dominance, both in Europe and on the international stage,” referring to this as the ‘new German question.’⁴³ As Bertram puts it, “when the Germans talk about tying their country firmly to the Community, others fear that the Community will be tied to Germany.”⁴⁴ Birckenbach observes that the “basic philosophy of European integration became deeply incorporated into the general frame of reference for German foreign policy and its attempts to re-establish a say in Europe and the world, starting with a focus on West Europe, then including East Europe before it was reaching the UN.”⁴⁵

Germany has been experiencing what some have referred to as ‘*normalization*’ since its unification. As evidence for this, its military prowess has been pointed to. Since a constitutional court ruling in the 1990s that Germany can deploy its forces out of area to protect national interests, its military involvement has seemingly been on the rise. Present especially in the Balkans and Afghanistan, deployments have been viewed by some with skepticism.⁴⁶ Eva Gross argues that with participation in the Balkans in the late 1990s, taboos on German use of force began to erode and “Germany’s political leadership increasingly began to push for ‘normalcy’ and Germany to assume a more proactive role in defining and pursuing

⁴³ Crawford, *Power and German Foreign Policy: Embedded Hegemony in Europe*, 14.

⁴⁴ Bertram, *The Power and the Past: Germany's New International Loneliness*, 100.

⁴⁵ Birckenbach, *German and European Integration*, 320.

⁴⁶ Krippendorff, *Germany as a World Power and as a European Power*, 78.

its national interests."⁴⁷ These inclinations remain controversial among the German population. The Afghanistan deployment has been strongly criticized since the beginning, and President Horst Köhler resigned in 2010 in response to the outcry he provoked by saying that Germany may need to deploy force in times of emergency to protect its economic interests.⁴⁸ With the end of conscription in 2011, Germany moved towards a modern, smaller, professional army. In August of last year, the Constitutional Court ruled that the military could be deployed at home under extreme emergency conditions, another surprising move that indicates Germany is moving towards a 'normal' relationship with its military.⁴⁹ This seems to corroborate E.H. Carr's view that the aspects of power are inseparable, as Germany's normalization apparently has resulted in the development of military power to complement its economic power.

⁴⁷ Eva Gross, *The Europeanization of National Foreign Policy: Continuity and Change in European Crisis Management* (Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2009), 122.

⁴⁸ Judy Dempsey, "German President Quits Over Remarks on Military," *The New York Times*, May 31, 2010.

⁴⁹ Nicholas Kulish, "Decades of German Pacifism Yield to Bigger Military Role," *The New York Times*, January 5, 2013.

Strength of the German Military Deployment Contingents as of April 4, 2013				
Deployment	Deployment Area	Forces	Initial Mandate of German Bundestag	End of Current Mandate of German Bundestag
ISAF	Afghanistan, Uzbekistan	4,239	12/22/2001	2/28/2014
KFOR	Kosovo	759	6/12/1999	6/11/2013
Active Fence	Turkey	294	12/14/2012	1/31/2014
UNMISS	South Sudan	14	7/8/2011	12/31/2013
UNAMID	Sudan	11	11/15/2007	12/31/2013
OAE	Mediterranean	236	11/16/2001	12/31/2013
UNIFIL	Lebanon	154	9/20/2006	6/30/2013
EUTM Mali	Mali	66	2/28/2013	2/28/2014
AFISMA	Senegal, Mali	85	2/28/2013	2/28/2014
Atalanta	Horn of Africa	546	12/19/2008	5/31/2013

50

If Germany is ‘normalizing’ and becoming more comfortable with pursuing its national interests, the idea of Germany as a ‘patron’ state is called into question. Does it truly devote its resources to supranational groups without any self-interest? Crawford asks what “would cause states with a preponderance of resources to become ‘patrons’ – commit resources to the task of leadership?” She offers three answers, “absolute gains, relative gains, and reputational advantage.” She goes on to explain that a “liberal economic system creates absolute gains for all, but more relative gains for the hegemonic state ... [as] the economy of the hegemonic state is more competitive than the economies of other actors.” However, to “enjoy disproportionate benefits of liberalism, the hegemonic state must take the lead and pay most of the costs to create the institutional infrastructure of a liberal order. [Additionally,] reputational benefits also propel hegemons to pay the price of

⁵⁰ Bundeswehr (German Army), “Einsatzzahlen – Die Stärke der deutschen Einsatzkontingente,” http://www.bundeswehr.de/portal/a/bwde/!ut/p/c4/04_SB8K8xLLM9MSSzPy8xBz9CP3I5EyrpHK9pPKUVL3UzLzixNSSKiirpKoqMSMnNU8_HKSvoCgxPTdRPzIvXzc5MTkjVb8gN9cRAKQex6o!/.

cooperation.” However, “[u]nderwriting the costs of cooperation to achieve system stability undermines the leader’s power ... suggest[ing] that while hegemons provide absolute gains to the system, over time, they sustain relative losses due to costs of providing hegemonic leadership.” So, in order “not to drain resources that undermine their power, hegemonic patrons extract promises from others to spread the costs of cooperation through ‘burden sharing.’ This involves shaping the institutional norms, rules, and procedures in the patron’s interests.”⁵¹

An example is the European Monetary Union. Germany’s Deutsche Mark was one of the world’s strongest currencies and one of the few national symbols which Germans were able to feel proud of. The influence of the currency can be noted by the percentage of official foreign exchange reserves it claimed (the second most after the U.S. Dollar in 1998, right before the switch to the Euro). It represented the “Wirtschaftswunder” and Germany’s reemergence as a successful country from the ruins of World War II. Why would they want to give it up? Certainly, part of the decision was wrapped up in the negotiations leading to German unification, allowing it to proceed while checking German power by depriving it of its currency and binding it further to the European Union. Princeton Professor Harold James cautions not to overemphasize this aspect and view the surrender of the Mark as part of a grand geo-political compromise, reminding us that the Euro was also a response to the situation of threatening irrelevance that Europe faced and the strength of the U.S. Dollar.⁵²

⁵¹ Crawford, *Power and German Foreign Policy: Embedded Hegemony in Europe*, 38-40.

⁵² Harold James, "Trouble in the Eurozone: Views on the Once and Future Crisis" (Panel Discussion at Harvard Center for European Studies, Cambridge, Massachusetts, February 4, 2013).

However, Crawford also sees other interests at work. She suggests that Germany's "central decision-makers believed it would provide a means to protect Germany's interest in regulatory exchange rate stability in ways that would both enhance its economic position and protect national monetary norms. Rather than diminish monetary power, leaders believed that it conformed to its own interests: prevent weaker economies from devaluing currencies to compete in international trade. It was a relinquishing of sovereignty that permitted others to accept German dominance."⁵³ Germany sacrificed its currency to provide gains for all, but even greater gains for itself. Acting as a patron state, it contributed the most, shaped the institution, and reaped the resulting benefit.

Currency Composition of Official Foreign Exchange Reserves (COFER) (in millions of USD) in 1998	
World: Total Foreign exchange holdings	1,643,589
• Allocated reserves	1,282,406
○ Claims in USD	888,724
○ Claims in Deutsche Mark	176,951
○ Claims in Japanese Yen	80,029
○ Claims in Pounds Sterling	34,142
○ Claims in French Francs	20,814
○ Claims in Swiss Francs	4,237
○ Claims in Netherlands Guilder	3,489
○ Claims in ECUs	16,637
○ Claims in other currencies	57,383
• Unallocated reserves	361,183

54

⁵³ Crawford, *Power and German Foreign Policy: Embedded Hegemony in Europe*, 104.

⁵⁴ International Monetary Fund, "Currency Composition of Official Foreign Exchange Reserves," <http://www.imf.org/external/np/sta/cofer/eng/cofer.pdf>.

EMBEDDED HEGEMONY

Beverly Crawford's theory of German power and leadership, which she terms 'embedded hegemony,' recognizes that Germany's power has increased since the end of the Cold War, and that this has "enabled it to take on the role of local patron and leader in maintaining cooperation within the EU and a range of multilateral negotiation fora."⁵⁵ However, she is too confident in Germany's willingness to act alone. When the multilateral institutions and Germany's economy are weak, Germany may not be willing to stretch itself further and lead, and she is right that Germany will then be more likely to act on behalf of its own national interests. Although Germany has "pursued a broad definition of self-interest in Europe ... if economic stagnation persists, that definition will narrow and the impulse to defect from cooperation will strengthen."⁵⁶ However, Germany will continue to look for partners and work within the framework of the institutions. This has been apparent in the Eurozone crisis, as Germany shrank from leadership when it feared the economic consequences, yet has looked for partners to work with in fixing and shaping the Eurozone, committing itself to the EU and softening its stance towards the debtor countries as the crisis dragged on.

In Crawford's theory of 'embedded hegemony,' she emphasizes 'power' as the determining factor in shaping German foreign policy preferences. As Europe's patron, Germany has "taken on a disproportionate share of the regional burden of institutionalized cooperation" and led by shaping new institutions. "Its leadership is thus 'embedded' in those institutions. Whether and how this leadership is exercised,

⁵⁵ Crawford, *Power and German Foreign Policy: Embedded Hegemony in Europe*, 15.

⁵⁶ *Ibid.*, 55.

however, is dependent on the strength of the multilateral institutions, on the institution's impact on German power and economy, and on the state of the economy in general."⁵⁷ Germany has led in the creation of European institutions, "has exercised long-term self-interest in doing so, has provided these institutions with stability, and has paid a price to maintain cooperation."⁵⁸

However, Crawford moves beyond this conception to argue that Germany not only shapes institutions, but leads and asserts itself when necessary. Crawford asserts not only that Germany "possesses overall capabilities that permit it to take on the burdens of leadership," but that it is "willing to provide the leadership role that is captured in the concept of hegemony."⁵⁹ She points out that Germany "was indeed willing to lead, in the creation of EMU and the European export control regime, and in military missions in the Balkans and Afghanistan."⁶⁰

EUROZONE CRISIS

The Eurozone crisis has left Germany at the helm of the EU, yet shrinking back from taking bold steps and struggling internally with its membership in the Union. In a moment of great uncertainty in which Germany feared that its economy, the foundation of its power, was threatened, Germany responded slowly. It acted in its own interest and pursued a policy of austerity rather than guaranteeing the Euro, and in doing so exacerbated the chaos and division engulfing Europe. As *The New York Times* reported earlier this year, the "European sovereign debt crisis has

⁵⁷ Crawford, *Power and German Foreign Policy: Embedded Hegemony in Europe*, 55.

⁵⁸ *Ibid.*, 16.

⁵⁹ *Ibid.*, 34.

⁶⁰ *Ibid.*, 53.

fundamentally changed Europe's geopolitical map. Instead of Europe being divided into West and East as it was during the Cold War, the Continent has become divided into a relatively prosperous North and a chaotic South [or, one could say, creditors and debtors]. Instead of Europe being led by France and Germany with Britain playing a balancing act, leadership has fallen squarely on Germany's shoulders."⁶¹ Since the onset of the crisis, Germany has softened its stance, and continues to search for partners to help it lead. Rather than act alone, as Crawford's formula would suggest, Germany has remained committed to the Eurozone.

Rather than play its role as the patron state, Germany initially balked at the prospect of bailing out a growing list of countries on the brink of default. As the EU experienced a "unipolar moment" with Germany holding the cards, it looked as though 'leading' meant opening an endless line of credit to the Eurozone.⁶² The crisis has seriously strained the EU, even as it was already loosening as a union. The nationalism and popularism that flared up has highlighted how far the EU has yet to go in its project of integration. It has spread resentment and fueled EU-skepticism in Germany, which has been historically very supportive of EU integration. The German media (as well as the media in other countries) aggravated this, vilifying the lazy southerners and the EU as a 'transfer union' that threatened to drain Germany.⁶³ This sense of victimhood persists in Germany, a feeling that they have been betrayed by the EU and find themselves now in what has become a one-way relationship in which they are "paying for others' profligacy" and receiving little

⁶¹ Risto Penttilä, "Germany Calls the Shots," *The New York Times*, March 21, 2013.

⁶² Ulrike Guérot and Mark Leonard, *The New German Question: How Europe can Get the Germany it Needs*.

⁶³ George Soros, "Why Germany should Lead Or Leave," *Project Syndicate* (September 8, 2012).

appreciation for it.⁶⁴ Recently, an 'Anti-Euro' political party has even been formed in Germany, small though it may be (although it should be stressed that the group is not anti-EU).⁶⁵ Thus, Germany has found itself paradoxically at the helm of the EU and unwilling to take bold steps to solve the crisis as it struggles internally with a project that it is no longer so certain it wants to participate in.⁶⁶ German President Gauck recently voiced this frustration in a speech, saying that the "crisis has more than just an economic dimension. It is a crisis of trust in the political project called Europe. We are fighting not only for our currency."⁶⁷

However, Germany has not been the only one to feel like a victim of the crisis. Many were quick to point out that, far from being betrayed, Germany has enjoyed economic benefits from the Eurozone. Indeed, the single currency area has allowed German exports to thrive, as the other countries brought down the value of the Euro and allowed Germany a weaker currency than it would otherwise have. Thanks to the crisis itself, Germany has enjoyed reduced interest rates on its bonds, low exchange rates, record-low unemployment and capital flight flooding.⁶⁸ Indeed, others have gone so far as to accuse Germany of engineering an economic domination of Europe. This is the ultimate realization of the fear of Germany turning the international institutions to which it was bound following World War II to its own devices, pulling the strings that were meant to keep it subdued and bringing

⁶⁴ Ulrike Guérot and Mark Leonard, *The New German Question: How Europe can Get the Germany it Needs*.

⁶⁵ "German Anti-Euro Party Holds Founding Conference," *BBC News*, April 14, 2013.

⁶⁶ Ulrike Guérot, *The Euro Debate in Germany: Towards Political Union?* (London, United Kingdom: European Council on Foreign Relations, 2012).

⁶⁷ Valentina Pop, "Germany does Not Want 'Diktat' on Europe," *EU Observer*, February 22, 2013.

⁶⁸ Ulrike Guérot and Mark Leonard, *The New German Question: How Europe can Get the Germany it Needs*.

Europe under its control. Who is now the prisoner? But these paranoid accusations of a German 'economic occupation' of Europe are absurd. As we have seen, Germany's new stature is largely a function of the weakness of its neighbors. Princeton Professor Harold James considers this idea of using the Euro to achieve German dominance of Europe as one of the big myths of the crisis. He points out that this would not be a smart plan, as those being dominated would figure out the plan and the German economic export model of 'begging their neighbors' would then become problematic.⁶⁹

With both sides feeling victimized, the German approach of austerity measures and reform in exchange for loans has elicited harsh criticism from those countries hit hardest by the cuts. As the crisis dragged on, countries began to push back against this approach and accuse Germany of exacerbating the problem. George Soros called upon Germany to "lead or leave" the Eurozone, claiming that Germany's desire to avoid domination of Europe has been part of the reason it has "failed to rise to the occasion and behave as a benevolent hegemon."⁷⁰ Soros points out that if Germany left, the Euro would devalue to the benefit of the debtor nations. Of course, this would mean that Germany's currency would mirror this and become much stronger, to the detriment of its export regime. If Germany is to lead, Soros recommends they "establish a level playing field between debtors and creditors, let Europe grow out of debt," which he notes would entail more inflation than the

⁶⁹ James, *Trouble in the Eurozone: Views on the Once and Future Crisis*.

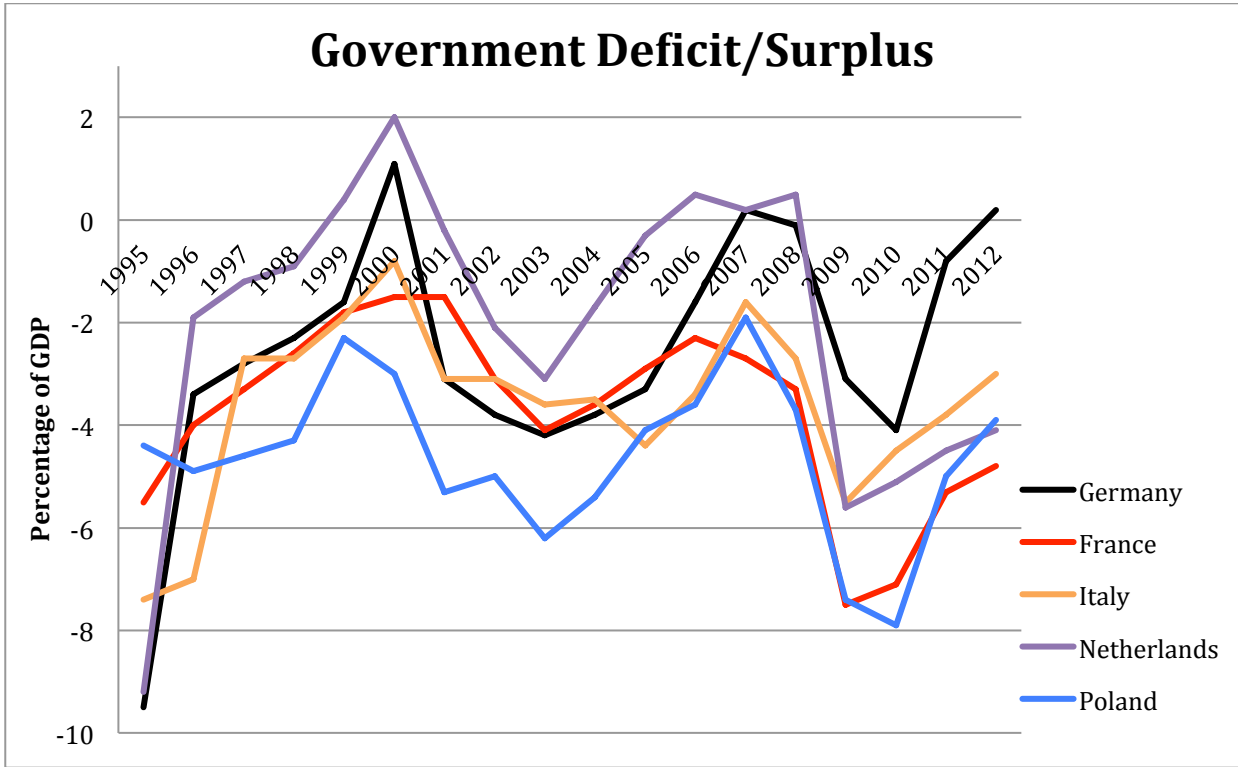
⁷⁰ Soros, *Why Germany should Lead Or Leave*.

Bundesbank would like. Going forward, he points out that Europe must make significant progress towards political union.⁷¹

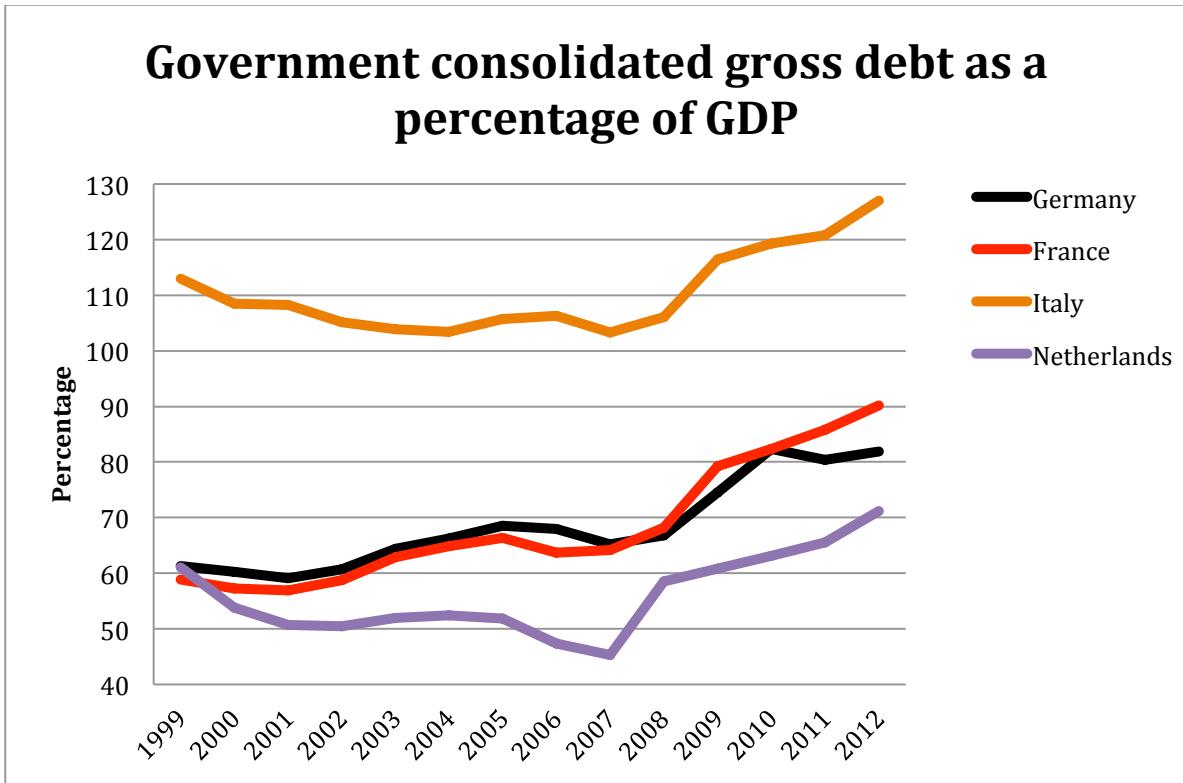
Germany's economic benefit from the crisis is also a point of differing perspective, as Germany has tried to dampen expectations of its economic abilities by pointing to its own slowing economy and rising debt. While it bounced back from the 2008 financial crisis with remarkable speed and has weathered the Eurozone crisis well, Germany is extremely averse to debt, and is unhappy that its debt has consistently climbed over the last decade and is now over 80% of its annual GDP. Additionally, the German economy has shown that it is not immune to the Eurozone crisis, and it actually shrank in the last year. Thus, as Germany perceives its own economy as shaky, it becomes less inclined to finance the European project and more inclined to look out for itself. As Daniela Schwarzer has pointed out, Germany has a problem with high debt, and this will get worse because of its demographics. Its low birthrate threatens to shrink the population long-term, straining its social welfare system and adding incentive for Germany to keep running low deficits.⁷²

⁷¹ Soros, *Why Germany should Lead Or Leave*.

⁷² Daniela Schwarzer, "Why Germany Will Not Run the EU (Alone)," (Lecture at Center for the Study of Europe, Boston University, Boston, Massachusetts, April 11, 2013).



73



74

⁷³ Eurostat (European Union), <http://appsso.eurostat.ec.europa.eu/nui/show.do>.

⁷⁴ Eurostat (European Union), <http://www.bbc.co.uk/news/business-13361930>.

Guerot and Leonard observe that “Germany has gradually become less willing to pay more for Europe,” signaling that “when it takes on a disproportionate part of the financial burden – as it has done in the bailouts of Greece and Ireland – it will now demand a formal voice that reflects its financial commitment.”⁷⁵ They note the transformation that Germany has undertaken in the last twenty years, seeing the 1992 Maastricht agreement as the “high water” mark of the “old German approach,” when Germany agreed to give up the D-Mark and initially agreed to the same number of votes in the EC as France despite its larger size and population. Since then, the ‘normalization’ of Germany has undermined what was European ‘normality,’ namely a union built in large part upon the premise of keeping Germany in check.

Guerot and Leonard see Germany as now facing a choice either to “recommit to partnership with the rest of the EU – and exercise benign economic hegemony within the Eurozone as the price for this commitment” or to be “a more ‘normal’ EU member state that pursues its national interests in a narrower way.”⁷⁶ This choice is somewhat stark, and Germany will more likely pursue a path somewhere in between. It will continue to act as a ‘patron’ and exercise ‘embedded hegemony,’ but it will also be more ‘normal’ and seek to preserve its economic power by searching for partners for burden sharing. Germany wants to recommit to partnership with the EU, but not a partnership in which it must open lines of credit to countries with bad credit histories or in which it must lead completely alone.

⁷⁵ Guérot, Ulrike and Mark Leonard, *The New German Question: How Europe can Get the Germany it Needs*.

⁷⁶ Ibid.

The Eurozone crisis has been a debacle for Germany, as the existential uncertainty of the country in this new post-Cold War phase has led it to fumble this moment of leadership. By hesitating to act and balking at the prospect of bailing out the debtor countries, Germany provoked investor uncertainty and brought the sustainability of the currency, and with it the European project of integration, into question. By insisting on deficit reduction through austerity and painful reform measures in exchange for loans, it provoked the ire of the debtor countries and in fact exacerbated the problem, leading to ballooning debt and pushing the countries into recession. These policies have pushed the Union apart, isolated Germany and incited mutiny against German ‘oppression.’

True leadership would have meant guaranteeing the sustainability of the Euro early on by pledging to do everything to preserve it, and then pushing ahead with political reforms to the EU and a path to competitiveness. The benevolent hegemon must pay an unequal price in exchange for unequal influence over the shaping of institutions and rules. Soros makes this point by saying that being an “imperial power can bring great benefits, but they must be earned by looking after those who live under its aegis,” pointing to the U.S. and the Marshall Plan as an example.⁷⁷ Undoubtedly, such a suggestion brings up the question of whether it would have disrupted the German economy and damaged its powerful position in Europe. It also raises the question of whether that approach would get the debtor countries to concede to the kind of reforms that Germany and the EU have been able to achieve by playing chicken and letting them reach the brink of default before

⁷⁷ Soros, *Why Germany should Lead Or Leave*.

throwing them a lifeline. But the former approach would not have sown such ill will in the EU to the point of jeopardizing the entire Eurozone. It also would not have aggravated the tremendous suffering that has ensued in countries like Greece and Spain, where massive unemployment among the youth has created great social unrest.

Additionally, the path adopted by Germany of “muddling through” and buying time does not address the core problems underlying the Eurozone crisis. While the banking and sovereign debt crises have been readily apparent and handled by granting liquidity, they are surface aspects to a larger problem of integration. The Eurozone is not an optimal currency area, largely because of a monetary union that is not backed up by a fiscal or political one. It lacks common taxing and spending policies, and the lack of labor mobility and flexibility within the area is a further hindrance. These inconsistencies generate differing inflation rates and thus differing values of the Euro throughout the Eurozone, leading to a competitiveness problem that burdens the countries that have higher inflation with an overvalued Euro. To truly lead the way out of the Eurozone crisis, Germany needs to either negotiate an exit for Greece and partial dissolution of the Eurozone to just those countries that can constitute a better currency area, or it needs to push for a kind of political integration that is far closer than the EU has seen. However, the latter option requires significant sacrifices of sovereignty by all member states to Brussels, something that Germany itself appears uncomfortable about without guarantees that it isn’t going to be taken advantage of by its neighbors. Indeed,

Germany seems to have lacked the domestic political support it would have needed to respond swiftly and effectively to the crisis.

The turmoil of the crisis continues, with the unemployment rate in the Eurozone reaching a record high of 12% in the first two months of this year.⁷⁸ Germany will protect the Euro at all costs, as its exposure to the debtor countries means it will end up paying if the currency sinks. Additionally, the Euro has allowed Germany a significant trade surplus with other EU countries, thanks to the fixed exchange rate. Germany won't want to sacrifice this advantageous position.⁷⁹

FRENCH-GERMAN PARTNERSHIP

As Germany has become increasingly isolated in Europe, the historic Franco-German partnership upon which the EU was built has similarly become distant. Schuman and Monnet's "principle of an integration of institutions" was built on French-German "reconciliation and cooperation."⁸⁰ Chancellors Schmidt and Kohl "made use of the French-German engine, putting France into a leading role for further institutionalization of the European project, namely establishing the European Council, elections to the European Parliament, preparations for monetary integration, and promotion of institutionalization of European Political Cooperation (EPC) in Foreign Affairs."⁸¹ Germany's normalization and growing power have strained the relationship, but both parties remain committed to working together.

⁷⁸ David Jolly, "Unemployment in Euro Zone Reaches a Record 12%," *The New York Times*, April 2, 2013.

⁷⁹ Penttilä, *Germany Calls the Shots*.

⁸⁰ Wichard Woyke, "French-German Cooperation: Axis and Engine in European Politics," in *The New Germany: History, Economy, Policies*, ed. Reimund Seidelmann (Baden-Baden: Nomos Verlagsgesellschaft, 2011), 335.

⁸¹ Birckenbach, *German and European Integration*, 326.

They recognize the geopolitical importance of one another, and that their cooperation is capable of moving Europe forward on the path of integration.

This partnership started to unravel following German reunification. France's discomfort with the potential political and economic power of the new Germany led to a "growing deterioration of relations in the 1990s."⁸² Indeed, in the 1990s, "France and Germany were divided in all core policy fields of the EU – federal character of the European constitution, stance on monetary policy, costs of enlargement, reform of CAP, and ESDP."⁸³ German support for eastward expansion of the EU troubled France, as did Germany's insistence on reweighting votes in the EU given its larger population following reunification. The reweighting of votes was opposed by Chirac, who insisted that "symbolic parity be maintained."⁸⁴ France didn't accept the idea of a "bilateral partnership in which Germany would assume the leadership role."⁸⁵

The 2000 Nice Summit sought to prepare the EU for enlargement by adjusting the decision-making process and continuing the process of integration, and it highlighted the divergence of the Franco-German relationship. "Nice marked the end of the intellectual hegemony [France] had previously exerted on the issue of European integration" over Germany.⁸⁶ France maintained a skepticism of European federalism, fearing that Germany would try to impose a German-style federalism on the EU, and generally appeared to Germany to be reluctant to accept post-Cold War

⁸² Hans Stark, "The Franco-German Relationship, 1998-2005," in *Germany's Uncertain Power: Foreign Policy of the Berlin Republic*, ed. Hanns W. Maull (Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2006), 110.

⁸³ Woyke, *French-German Cooperation: Axis and Engine in European Politics*, 342.

⁸⁴ *Ibid.*, 343.

⁸⁵ Stark, *The Franco-German Relationship, 1998-2005*, 110.

⁸⁶ *Ibid.*, 114.

realities by resisting a re-weighting of votes. In the resulting agreement, Germany did not secure greater representation, but was left with the same number of votes as the other three large member states (France, Italy and the UK). As a concession, however, Germany received an additional allocation of seats in the European Parliament.⁸⁷

French and German leaders, however, demonstrated a commitment to reviving the privileged bilateral relationship and using it to better influence the European decision-making process when they met in Blaesheim, France in 2001 to conceptualize the Blaesheim process. This “included not only a declared willingness to return to bilateral cooperation but an improvement of daily cooperation by meeting at least all six weeks” to discuss problems challenging the relationship.⁸⁸ The French-German relationship reached a high point during the lead-up to the 2003 Iraq war, when they stood together in opposition to the U.S. invasion. This left them in opposition also to several other EU countries, however, and thus left open the question of whether their partnership would be enough to lead an enlarged EU. But with the UK now distancing itself from the EU, British influence may wane and this may not remain the case.

The relationship entered a new chapter with the partnership of Merkel and Sarkozy, who seemed to work closely together as the Eurozone crisis unfolded in 2009/2010. This evaporated, however, when Sarkozy was voted out of office and François Hollande of the Socialist Party became President. Hollande pushed back against German demands for austerity from the Eurozone and shifted France to

⁸⁷ Simon Serfaty, "The Nice Summit: Deciding without Choosing," *The Brookings Institution*.

⁸⁸ Woyke, *French-German Cooperation: Axis and Engine in European Politics*, 343.

show greater sympathy for the debtor countries of the Mediterranean, thus isolating Germany.

Problems aside, the French-German relationship appears to still remain important to both sides. Fifty years since the Elysée Treaty laid the foundation for reconciliation between the countries, the power dynamic has shifted. The “Franco-German tandem has become unbalanced in Germany’s” favor, the result of the “enlargement of Europe, growing gap between economic performance, and the onset of the financial crisis which has increased the salience of economic might.”⁸⁹ They are navigating a new relationship, but one they seem committed to maintaining. There are historic reasons for this, but also a reflection of political realities. France remains of great importance in Europe. It has a Gross National Income per capita only slightly lower than Germany⁹⁰ and population growth that puts it on path to outgrow Germany by 2050.⁹¹ They remain the largest players in the EU, and are an effective force when they manage to put up a united front.⁹²

FUTURE ALLIANCES

As positions and relationships shift in a tumultuous Europe, Germany will look to other nations to work with as partners for economic burdensharing and because it does not want to lead alone. With the transatlantic relationship fading,

⁸⁹ Ulrike Guérot and Mark Leonard, *The New German Question: How Europe can Get the Germany it Needs*.

⁹⁰ World Bank, “GNI per capita in PPP dollars,” http://www.google.com/publicdata/explore?ds=d5bncppjof8f9_&ctype=l&met_y=ny_gnp_pcap_pp_cd&hl=en&dl=en#!ctype=l&strail=false&bcs=d&nselm=h&met_y=ny_gnp_pcap_pp_cd&scale_y=lin&ind_y=false&rdim=region&idim=country:FRA:DEU&ifdim=region&hl=en_US&dl=en&ind=false.

⁹¹ Stark, *The Franco-German Relationship, 1998-2005*, 120.

⁹² “Europe’s Odd Couple,” *The Economist* (January 26, 2013).

the Franco-German alliance proving difficult, and the UK and other northern European countries becoming increasingly skeptical of European integration, Germany will need to work with others to pursue its European agenda. Germany will still work to keep the Franco-German partnership alive, but must look for other partners in a larger Europe that will help it lead when differences with France are too stark. Bertram suggests that Germany will seek to fashion “less familiar coalitions to combat its loneliness,” with other northern Europeans, with Poland, or possibly Turkey.⁹³

A clear candidate is Poland, given Foreign Minister Sikorski’s bold words looking towards Germany to lead the continent out of crisis. The sixth most populated country in the EU, Poland is a substantial member of the EU at 312,685 sq km (compared to Germany’s 357,022 sq km).⁹⁴ It has a sizeable GDP of 469.4 billion USD (2010) that has grown impressively throughout the last decade, despite the financial crisis.⁹⁵ Its position next to Germany at the center of wider Europe and its history as a former communist country with that connection to the rest of ‘new Europe’ lend it additional weight in a new EU. It could balance the top of the EU hierarchy by adding eastern representation. The Polish military has 3500 soldiers and military personnel participating in 14 international operations under the UN,

⁹³ Bertram, *The Power and the Past: Germany's New International Loneliness*, 103.

⁹⁴ Central Intelligence Agency, “The World Factbook,” <https://www.cia.gov/library/publications/the-world-factbook/fields/2147.html>.

⁹⁵ Destatis (Statistisches Bundesamt, Federal Government of Germany), “Bruttoinlandsprodukt,” https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Internationales/Thema/Tabellen/Basisstabelle_BIP.html#AnkerEuropa.

NATO and EU.⁹⁶ In Afghanistan, they have the fifth largest number of troops (1739).⁹⁷

Most importantly, Poland seems to be willing to take on a leading role in Europe. An example of this is the recent unofficial paper on the Eastern Partnership scheme of the EU that Germany, Poland, the Czech Republic, and Sweden put forward on how to handle post-Soviet countries. By joining this group, Germany has indicated that rather than being skeptical of further enlargement, it is open to closer relations with the post-Soviet countries and bringing them closer to the EU. Significantly, this indicates “what some diplomats are calling a ‘new axis’ in EU foreign policy,” with Germany “trying to play a bridging role between” supporters of the Eastern Partnership scheme and its skeptics. Indeed, it seems as though “Germany and Poland are very close to each other on this,” and that Germany “sees merit in the Polish idea that the Union has to give eastern countries a certain perspective which incites them to move closer to the EU.”⁹⁸

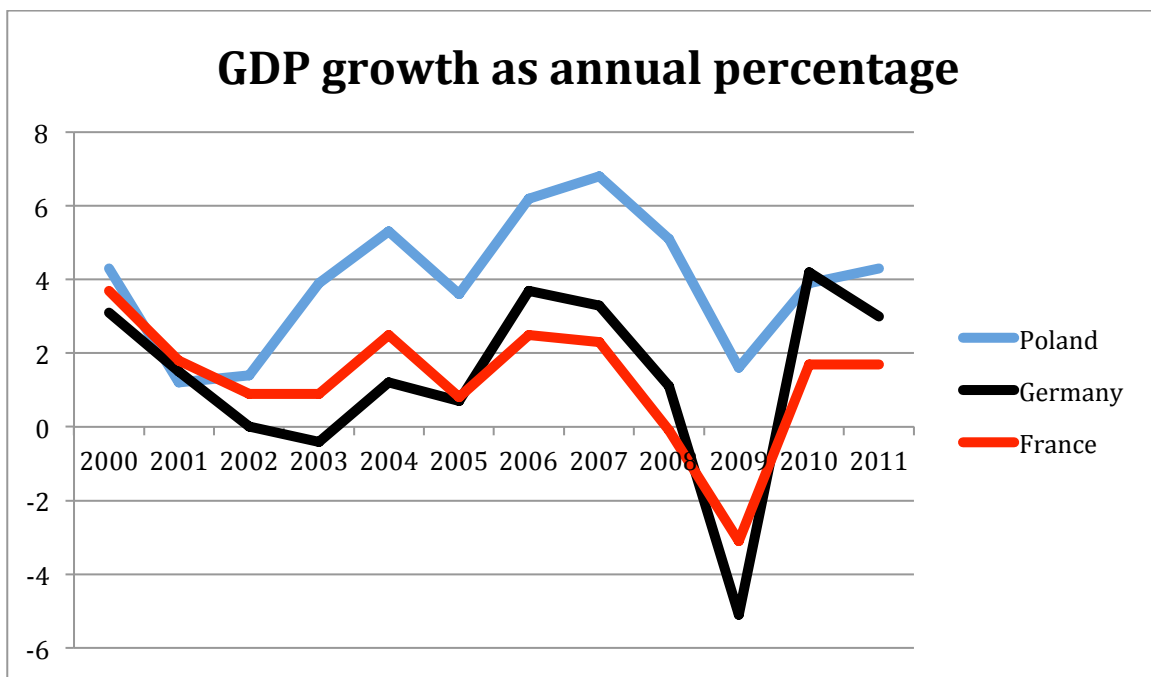
More telling were Sikorski’s harsh words for the UK regarding its plan to hold a referendum on EU membership. Sikorski claimed that David Cameron had “shifted his country’s position in the EU hierarchy ... from a country which was a natural member of the triumvirate capable of ruling the EU ... to the category of a country of special concern ... It means the group which holds power in the Union will have a different shape.” Sikorski indicated Poland could take the UK’s place. “We

⁹⁶ Ministry of National Defence Republic of Poland, http://www.wp.mil.pl/en/strona/337/LG_267.

⁹⁷ NATO, “International Security Assistance Force (ISAF): Key Facts and Figures,” http://www.nato.int/nato_static/assets/pdf/pdf_2013_02/130220-isaf-placemat.pdf.

⁹⁸ Andrew Rettman, “Germany and Poland Join Up on EU Foreign Policy,” *EU Observer* (February 20, 2013).

would have to continue reforms and join the Eurozone, then we could be the ones in the group of three, or five, countries which have the biggest say in the EU.” Sikorski went on to contrast Poland with the UK, noting that the Cameron has clearly indicated that the UK is not interested in a political union, whereas it is in Poland’s “interest to permanently safeguard our membership in the Latin civilization, so we need tighter ties with the rest of Europe, not looser ones.”⁹⁹ For the time being, Poland’s voice in the EU is limited because it is not a member of the Eurozone. But should it join, it has great potential to be a strong German ally in leading the Union.



100

⁹⁹ Andrew Rettman, "Poland: UK no Longer a Leading EU Country," *EU Observer* (January 25, 2013).

¹⁰⁰ World Bank, "GDP growth,"

http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?order=wbapi_data_value_2007%20wbapi_data_value%20wbapi_data_value-last&sort=asc.

CONCLUSION

In the post-Cold War era, a reunified Germany has found that it has become the most important country not only in the Eurozone, but also possibly in greater Europe. By no design of its own, Germany's geographic location, demography, economy and the weakness of its neighbors have led it to a position of great influence and power. It has the ability to be a leader in Europe, and has done so by acting as a benevolent hegemon, supporting the EU and European projects such as the EMU at great expense. By using its economic power to pay a large share of the costs, it has been able to exercise larger influence and leadership in shaping institutions. In the case of the EMU, one need only note that the ECB is based in Frankfurt to recognize Germany's influence. Germany has dedicated itself to European integration and the EU project, stretching itself economically to support it. However, as Germany has normalized since reunification, it has become more comfortable pursuing its own national interests.

The financial crisis in the Eurozone has left Germany alone at the helm of Europe, a most unnatural place for the country to be, given its history. It may still possess great influence as a result of its powerful position, but Germany's fumbling of the financial crisis has divided and embittered Europe and revealed a Germany apparently unwilling to lead. Guerot and Leonard observe that the "most important thing to understand about the new Germany is, perhaps, that this country has rarely been in such a process of self-reinvention (internally and externally) than it is

now.”¹⁰¹ Germany is only a newly ‘normalized’ nation, with tremendous historical baggage and huge responsibilities and expectations given its economic might and position in Europe. The people of Germany appear hesitant to take on such a large role on the international stage, especially if it entails larger financial contributions. This uncertainty undermines Germany’s influence, and prevents it from exercising the ‘power over opinion’ that E.H. Carr saw as part of international political power. If Germany hesitates to lead, others will hesitate to follow.

Germany will only lead if it can be reassured it isn’t being taken advantage of financially and that its economic strength, the basis of its power, is not jeopardized. It will look for partners to lead with it and share the burden. If it fears it is being financially stretched, it will tend to act in its own self-interest, but it will remain committed to preserving the single market and the project of European integration. Germany is searching for a partner to help it find a way to move forward with the Eurozone, to reform and grow it without draining its own coffers and develop a plan for a future EU. It has yet to achieve this.

Germany is being called upon to take on a greater financial burden in the Eurozone crisis, but this is politically unpopular. German elections are scheduled for September 2013, and most Germans seem to be against decisive moves “towards fiscal federalism, debt mutualisation and political union,” remaining nervous of the prospect of the EU becoming a so-called transfer union. The election campaign is “likely to focus on the future of Europe and the German role in it,” becoming a truly

¹⁰¹ Ulrike Guérot and Mark Leonard, *The New German Question: How Europe can Get the Germany it Needs*.

'European election' in Germany.¹⁰² Already, the opposition candidate Peer Steinbrueck of the SPD party has accused Chancellor Merkel of isolating Germany, and has called for a clear pro-European position. In a speech launching his campaign, Steinbrueck declared that "Germany needs more 'We' and less 'I.'"¹⁰³ The opposition has called for more to be done to foster growth, and are less averse to a pooling of European debt. In contrast to Merkel's austerity and low taxes, they are calling for social justice and higher taxes. The existential discussion continues in Germany, but the country has yet to make up its mind as to what it wants the EU to become and how it will fit into the puzzle. Meanwhile, the Eurozone sinks into recession and Europe into irrelevance.

¹⁰² Guérot, *The Euro Debate in Germany: Towards Political Union?*

¹⁰³ Chris Bryant, "Steinbrueck Attacks Merkel's Europe Stance," *Financial Times* (December 9, 2012).

Bibliography

- "Europe's Odd Couple." *The Economist*, January 26, 2013.
- "German Anti-Euro Party Holds Founding Conference." *BBC News*, April 14, 2013.
- Anderson, Jeffrey. *German Unification and the Union of Europe: The Domestic Politics of Integration Policy*. Cambridge, UK: Cambridge University Press, 1999.
- Baring, Arnulf. "'Germany, what Now?'" In *Germany's New Position in Europe: Problems and Perspectives*, edited by Baring, Arnulf. Oxford, UK: Berg Publishers, 1994.
- Bertram, Christoph. "The Power and the Past: Germany's New International Loneliness." In *Germany's New Position in Europe: Problems and Perspectives*, edited by Baring, Arnulf. Oxford, UK: Berg Publishers, 1994.
- Birckenbach, Hanne-Margret. "German and European Integration." In *The New Germany: History, Economy, Policies*, edited by Seidelmann, Reimund. Baden-Baden: Nomos Verlagsgesellschaft, 2011.
- Bryant, Chris. "Steinbrück Attacks Merkel's Europe Stance." *Financial Times*, December 9, 2012.
- Carr, E. H. *The Twenty Years' Crisis 1919-1939*. Houndmills, Basingstoke, Hampshire: Palgrave, 2001.
- Crawford, Beverly. *Power and German Foreign Policy: Embedded Hegemony in Europe*. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2007.
- Dempsey, Judy. "German President Quits Over Remarks on Military." *The New York Times*, May 31, 2010.
- Eddy, Melissa. "Germans Disappointed Obama Will Visit Asia First." *The New York Times*, November 9, 2012.
- Gross, Eva. *The Europeanization of National Foreign Policy: Continuity and Change in European Crisis Management*. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2009.
- Guérot, Ulrike. *The Euro Debate in Germany: Towards Political Union?* London, United Kingdom: European Council on Foreign Relations, 2012.

- Guérot, Ulrike and Mark Leonard. *The New German Question: How Europe can Get the Germany it Needs*. London, United Kingdom: European Council on Foreign Relations, 2011.
- Haftendorn, Helga. "Gulliver in the Centre of Europe: International Involvement and National Capabilities for Action." In *Germany in Europe in the Nineties*, edited by Heurlin, Bertel. Houndmills, Basingstoke, Hampshire: Macmillan Press LTD, 1996.
- Harnisch, Sebastian and Siegfried Schieder. "Germany's New European Policy: Weaker, Leaner, Meaner." In *Germany's Uncertain Power: Foreign Policy of the Berlin Republic*, edited by Maull, Hanns W. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2006.
- James, Harold. "Trouble in the Eurozone: Views on the Once and Future Crisis." Harvard Center for European Studies, February 4, 2013 Panel Discussion.
- Jolly, David. "Unemployment in Euro Zone Reaches a Record 12%." *The New York Times*, April 2, 2013.
- Keohane, Robert. *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton, NJ: Princeton University Press, 1984.
- Kleinfeld, Klaus. "German Conference at Harvard 2012." Cambridge, Massachusetts, February 17, 2012.
- Krippendorff, Ekkehart. "Germany as a World Power and as a European Power." In *Germany in Europe in the Nineties*, edited by Heurlin, Bertel. Houndmills, Basingstoke, Hampshire: Macmillan Press LTD, 1996.
- Kulish, Nicholas. "Decades of German Pacifism Yield to Bigger Military Role." *The New York Times*, January 5, 2013.
- McCormick, John. *The European Superpower*. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2007.
- Penttilä, Risto. "Germany Calls the Shots." *The New York Times*, March 21, 2013.
- Pop, Valentina. "Germany does Not Want 'Diktat' on Europe." *EU Observer*, February 22, 2013.
- Rettman, Andrew. "Germany and Poland Join Up on EU Foreign Policy." *EU Observer*, February 20, 2013.
- . "Poland: UK no Longer a Leading EU Country." *EU Observer*, January 25, 2013.

- Schöllgen, Gregor. "National Interest and International Responsibility: Germany's Role in World Affairs." In *Germany's New Position in Europe: Problems and Perspectives*, edited by Baring, Arnulf. Oxford, UK: Berg Publishers, 1994.
- Schwarz, Hans-Peter. "Germany's National and European Interests." In *Germany's New Position in Europe: Problems and Perspectives*, edited by Baring, Arnulf. Oxford, UK: Berg Publishers, 1994.
- Schwarzer, Daniela. "Why Germany Will Not Run the EU (Alone)." Center for the Study of Europe, Boston University, April 11, 2013.
- Seidelmann, Reimund, ed. *The New Germany: History, Economy, Policies*. Baden-Baden: Nomos Verlagsgesellschaft, 2011.
- Serfaty, Simon. "The Nice Summit: Deciding without Choosing." *The Brookings Institution*.
- Sikorski, Radek. "Poland and the Future of the European Union." Berlin, Germany, November 28, 2011.
- Soros, George. "Why Germany should Lead Or Leave." *Project Syndicate* (September 8, 2012).
- Stark, Hans. "The Franco-German Relationship, 1998-2005." In *Germany's Uncertain Power: Foreign Policy of the Berlin Republic*, edited by Maull, Hanns W. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2006.
- Szabo, Stephen. "Parting Ways: The German-American Relationship After Iraq." In *Germany's Uncertain Power: Foreign Policy of the Berlin Republic*, edited by Maull, Hanns W. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2006.
- Waltz, Kenneth. "The Emerging Structure of International Politics." *International Security* 18, no. 2 (1993): 44.
- Woyke, Wichard. "French-German Cooperation: Axis and Engine in European Politics." In *The New Germany: History, Economy, Policies*, edited by Seidelmann, Reimund. Baden-Baden: Nomos Verlagsgesellschaft, 2011.

Other Sources

Auswärtiges Amt (German Foreign Office), "Germany's financial contributions to the United Nations," http://www.auswaertiges-amt.de/EN/Aussenpolitik/Friedenspolitik/VereinteNationen/StrukturVN/Finanzen/Finanzbeitrag-D_node.html.

Bundesministerium des Innern (German Federal Ministry of the Interior), "Solidarpakt II von 2005 bis 2019," <http://www.bmi.bund.de/SharedDocs/Standardartikel/BODL/soliII.html?nn=790654>.

Bundeswehr (German Army), "Einsatzzahlen – Die Stärke der deutschen Einsatzkontingente," [http://www.bundeswehr.de/portal/a/bwde/!ut/p/c4/04_SB8K8xLLM9MSSzPy8xBz9CP3I5EyrpHK9pPKUUVL3UzLzixNSSKiirpKoqMSMnNU8_HKSvoCgxPTdRPzIvXzc5MTkjVb8gN9cRAKQex6o!/.](http://www.bundeswehr.de/portal/a/bwde/!ut/p/c4/04_SB8K8xLLM9MSSzPy8xBz9CP3I5EyrpHK9pPKUUVL3UzLzixNSSKiirpKoqMSMnNU8_HKSvoCgxPTdRPzIvXzc5MTkjVb8gN9cRAKQex6o!/)

Central Intelligence Agency, "The World Factbook," <https://www.cia.gov/library/publications/the-world-factbook/fields/2147.html>.

Destatis (Statistisches Bundesamt, Federal Government of Germany), "Bruttoinlandsprodukt," https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Internationales/Thema/Tabellen/Basistabelle_BIP.html#AnkerEuropa.

Destatis (Statistisches Bundesamt, Federal Government of Germany), "Population," <https://www.destatis.de/EN/FactsFigures/Indicators/LongTermSeries/Population/lrbev03.html>.

Destatis (Statistisches Bundesamt, Federal Government of Germany), "Top 20 Exportländer 2011," https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Internationales/Thema/Aussenhandel/Tabelle_Export_2011.html.

European Union, "EU expenditure and revenue," http://ec.europa.eu/budget/figures/interactive/index_en.cfm.

Eurostat (European Union), "Intra-EU27 trade, by Member State, total product," <http://epp.eurostat.ec.europa.eu/tgm/graph.do?tab=graph&plugin=1&pcode=tet00039&language=en&toolbox=data>.

Eurostat (European Union), "Population,"
<http://epp.eurostat.ec.europa.eu/tgm/graph.do?tab=graph&plugin=1&pcode=tps00001&language=en&toolbox=type>.

Eurostat (European Union), <http://appsso.eurostat.ec.europa.eu/nui/show.do>.

Eurostat (European Union), <http://www.bbc.co.uk/news/business-13361930>.

International Monetary Fund, "Currency Composition of Official Foreign Exchange Reserves," <http://www.imf.org/external/np/sta/cofer/eng/cofer.pdf>.

Ministry of National Defense Republic of Poland,
http://www.wp.mil.pl/en/strona/337/LG_267.

NATO, "International Security Assistance Force (ISAF): Key Facts and Figures,"
http://www.nato.int/nato_static/assets/pdf/pdf_2013_02/130220-isaf-placemat.pdf.

Stockholm International Peace Research Institute, "The SIPRI Military Expenditure Database," <http://milexdata.sipri.org/>.

World Bank, "GDP growth,"
http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?order=wbapi_data_value_2007%20wbapi_data_value%20wbapi_data_value-last&sort=asc.

World Bank, "GNI per capita in PPP dollars,"
http://www.google.com/publicdata/explore?ds=d5bncppjof8f9_&ctype=l&met_y=ny_gnp_pcap_pp_cd&hl=en&dl=en#!ctype=l&strail=false&bcs=d&nseml=h&met_y=ny_gnp_pcap_pp_cd&scale_y=lin&ind_y=false&rdim=region&idim=country:FRA:DEU&ifdim=region&hl=en_US&dl=en&ind=false.