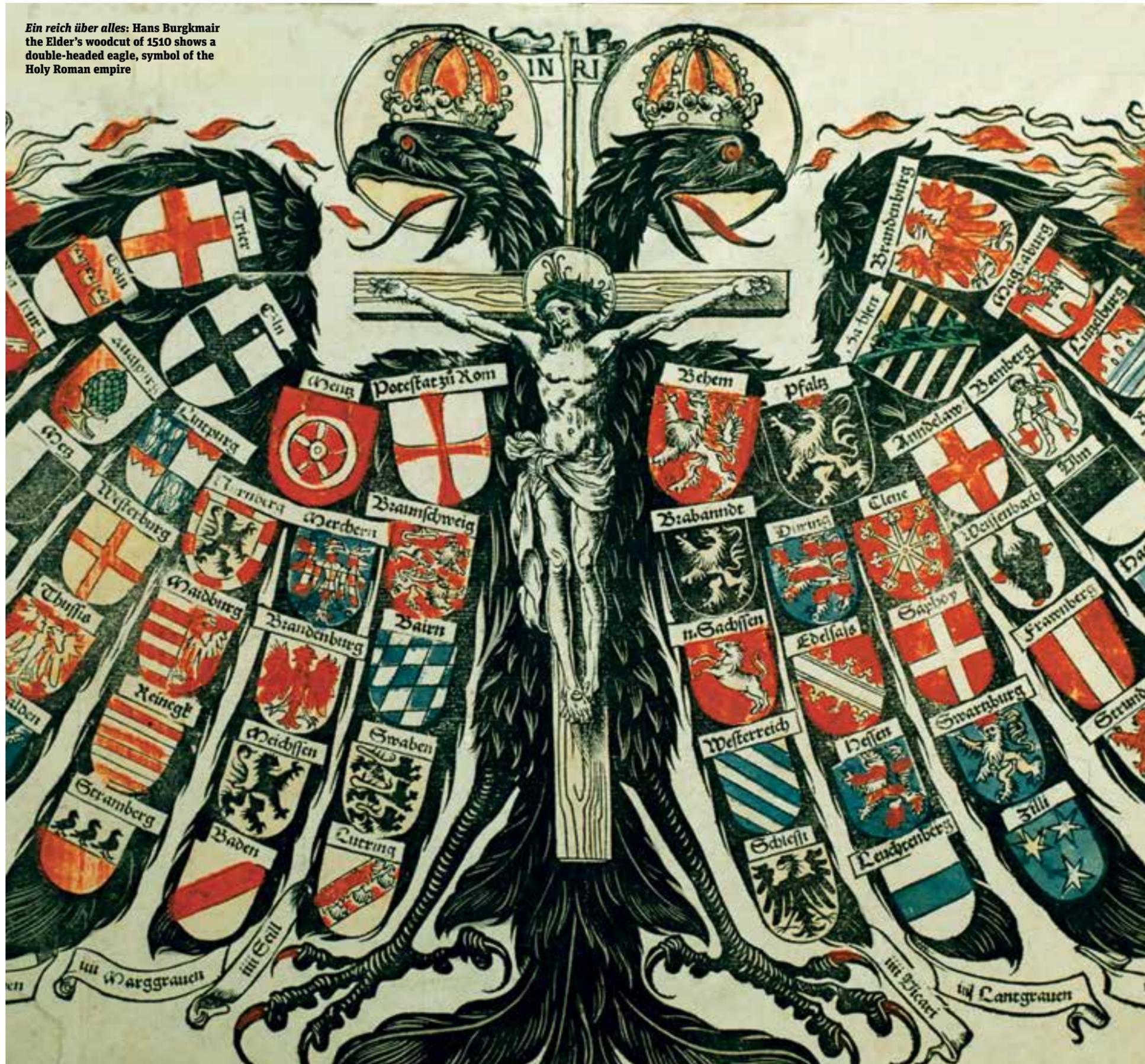


The new German empire

European integration was designed to contain Berlin's power – instead, it has increased it

By *Brendan Simms*



Ein reich über alles: Hans Burgkmair the Elder's woodcut of 1510 shows a double-headed eagle, symbol of the Holy Roman empire

In a blistering speech to the Greek parliament on 15 July, the former finance minister Yanis Varoufakis referred to the harsh “bailout” conditions imposed by eurozone leaders, and especially Berlin, as a “new Versailles”. This calculated allusion to the punitive peace inflicted on imperial Germany after the First World War, especially the “reparations” she was forced to pay, was picked up by media commentators and politicians across the world.

Berlin's approach was widely condemned as “brutal”. Boris Johnson, the Mayor of London, claims that “the man with the gun is the German finance minister, Wolfgang Schäuble”, and that “it is the Germans who are now running the show”. Indeed, one could be forgiven for wondering whether the “Fourth Reich” that the Irish historian, politician and journalist Conor Cruise O'Brien warned about in 1989, shortly before the Wall fell, had now come to pass. So has the euro crisis brought about peacefully something that the Kaiser and Hitler failed to achieve militarily, namely the German domination of Europe? Less hyperbolically, was Ulrich Beck, the eminent sociologist

who died in January, right to say that Chancellor Angela Merkel is a calculating “Merkavelli”, whose ambition to “Germanise” Europe has now been validated by events?

The short answer to these questions is, “No.” Germany is not oppressing Greece, or any other eurozone country. Nobody forced these previously sovereign states into the common currency, at the barrel of a gun or in any other way. It was a dance they insisted on joining, in some cases rather like the ugly stepsisters, doing violence to their economic body shape in order to fit into the shoes of the required convergence criteria. Besides, none of them wants to leave, because they have no desire to resume the failed national politics they were trying to escape through “Europe”. Polls suggest that, offered a clear choice between return to the drachma and reclaiming national sovereignty, or accepting German leadership of the eurozone, most Greeks prefer the latter. The same is true, more or less, of the rest of the common currency area. Clearly, there is only one thing worse than being dominated by Germany in the eurozone and that is not being dominated by Germany in ►

▶ the eurozone. Whatever else is going on here, it is not the re-creation of the Second or Third Reich.

That said, the current crisis is very much a product of “the German problem” and, indeed, of the German imperial legacy. In order to understand why, we need to go back to the origins of a question that has driven the history of our continent for hundreds of years and fundamentally shapes its politics today.

Germany, or the various polities in which most Germans lived, has been the fulcrum of the entire European state system since at least the 16th century. Its central geographical location made it the cockpit of Europe, a territory on which foreign armies – Ottoman Turk, Spanish, French, British, Russian, French, Swedish, to name only the most prominent – contested for mastery of the continent. Its sheer populousness, the industriousness of its inhabitants and the prowess of its soldiers made Germany the most valued prize in the state system.

For much of the past 500 years, the fear was not that Germany itself would disturb the European balance of power but that an outside force would use the Germans to do so. This was because their political commonwealth, the “Holy Roman Empire of the German Nation”, was bitterly divided, between the emperor and the leading princes, and between Catholics and Protestants. This created a vacuum at the heart of Europe which exported instability and attracted the predatory attention of its neighbours, most catastrophically during the Thirty Years War (1618-48), but also during the Turkish invasions of central Europe and the revolutionary and Napoleonic wars.

For this reason, European statesmen tried to refashion Germany in a way that the Germans were not always at each other’s throats, or at the feet of their neighbours. This required institutions that defused internal tensions, if necessary through outside intervention, and mobilised the common energies in defence of the empire’s external borders. German politics was therefore characterised by a sophisticated

form of power-sharing through imperial courts and the imperial assembly, the Reichstag. France and Sweden were guarantor powers from the Peace of Westphalia in 1648, with the right to intervene in German affairs to keep the peace or to prevent foreign interference, and in the 18th century Russia was also formally awarded that privilege. The German Confederation of 1815, the successor to the empire, was constructed on very similar lines in order to ensure that Germany did not lapse into civil war and that it remained strong enough to repel invaders, but never became so strong as to pose a threat to its neighbours.

Germans repeatedly refused to be objects of the state system

The result was a German political culture preoccupied with precedence, legality, rules and procedure to the point of paralysis. Two of the American founding fathers, James Madison and Alexander Hamilton, diagnosed this condition more than 200 years ago. They looked at the “federal system” of the “Germanic empire” and found it to be “a nerveless body, incapable of regulating its own members, insecure against external dangers, and agitated with unceasing fermentations in its own bowels”. “Military preparations,” they noted, “must be preceded by so many tedious discussions, arising from the jealousies, pride, separate views, and clashing pretensions, of sovereign bodies, that before the diet can settle the arrangements, the enemy are in the field . . .” By contrast, the federalists praised the Anglo-Scottish Union of 1707, by which the two parties, formerly so divided, had come together to “resist all [their] enemies” by creating a common debt, common parliamentary representation and common foreign and security policy. This served as the model for the United States. The Germans were well aware of their own weaknesses, and tried to overcome them through an interminable but ultimately ineffectual “imperial reform debate”.

In the 17th and 18th centuries, the Germans played by the rules but nobody else did. After a long agony, the Holy Roman empire collapsed under the onslaught of revolutionary France and Napoleon. Later, the German Confederation, which failed to deter French revanchism, was destroyed by Bismarck in his drive to create a united Germany in 1871. This turned the Germans from objects of the state system into subjects, with a powerful voice in Europe and the world.

As is well known, however, the establishment of a consolidated power centre at the heart of the continent eventually overturned the whole European and then the global balance of power. It required a coalition of the world’s strongest powers to crush both the Kaiser’s Germany and Hitler’s Third Reich in the two world wars. After each contest, the German Question posed itself anew: how to order the European centre in such a way that it was robust enough to master domestic and external challenges without at the same time developing hegemonic tendencies. The Versailles settlement of 1919 spectacularly failed to do so, primarily because it was resented as an attempt to turn Germans back into mere objects of the state system.

The solution arrived at after the Second World War was far more successful. Germany was partitioned territorially into a communist east and a democratic west, and underwent a change of heart. It was widely accepted that what was needed, as the writer Thomas Mann argued, was not “a German Europe but a European Germany”. The project of European integration was thus intended to contain Germany by rendering her structurally incapable of and culturally indisposed towards military aggression. It was also conceived as a way of mobilising Europe’s, and especially Germany’s, huge military and economic potential for the western cause against the Soviet threat. The reintegration of Germany into the western comity of nations, including the generous forgiveness of many of her debts in the 1953 London agreement, was conducted on this basis.

Yet while pacifying Europe, and containing Germany, required a constitutional arrangement and political culture similar to those of the old Holy Roman empire, keeping the Russians out demanded a mighty union comparable to that created by the British and the Americans. On the one hand, the growing strain of containing the Soviet Union made it imperative that the western Europeans do more for their own defence, either collectively or individually: for example, through German rearmament. On the other hand, the European Coal and ▶



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Victory of democracy: Helmut Kohl at the Brandenburg Gate on reunification night, 3 October 1990

► Steel Community, which established a joint administration of French and German coal and steel resources from 1951 onwards, was ostensibly a form of economic rationalisation, but really a device to bring the war-making potential of Germany under multilateral control and thus defang her.

The planned European Defence Community of the 1950s was an attempt to embed the military mobilisation of Germany in a wider political union. It sought “the complete merger of men and equipment [including Germans] under a single European political and military authority”. This was to include not only an executive council of national prime ministers, a court of justice and an Economic and Social Council, but also a two-chamber European parliament: one chamber made up of deputies, directly elected from the people of the community, and another of senators, representing the “peoples” of all the participating states. This was, in effect, a European government-in-waiting with the potential to develop into a full parliamentary union on Anglo-American lines, but it was still-born thanks to the opposition of the French parliament. Henceforth, European integration excluded defence and was confined to economic, cultural and political matters, exemplified by the Treaty of Rome of 1957, which established the European Economic Community, the forerunner of the EU. Defence integration remained the purview of the North Atlantic Treaty Organisation. This disjuncture proved fatal to prospects for full political integration, although several attempts were made over the following three decades to restart the process.

As Germany’s industry recovered there were growing fears in Paris and elsewhere in Europe that the mighty Deutschmark, which gave the Bundesbank de facto control over European interest rates, constituted a kind of German “nuclear weapon”. Even before German unification was on the agenda, the French president François Mitterrand warned: “Without a common currency we are . . . already subordinate to the Germans’ will.” When the Berlin Wall fell in November 1989 the process of introducing monetary union gained new urgency,

They uploaded their premodern political culture into the EU

and the common currency was agreed by the early 1990s.

France rejoiced as the Deutschmark was decommissioned, with some commentators openly describing the settlement – ironically, in view of Varoufakis’s more recent remarks – as a new Versailles. “Germany will pay,” they crowed, echoing another slogan from 1919. A veritable torrent of cheap credit, uncorked by the euro and the reduced sense of sovereign debt risk it engendered, slowly began to engulf the continent, especially its southern and western periphery. Europe boomed, though Germany itself – which was grappling with the costs of absorbing the former German Democratic Republic – struggled economically in the first decade after unification.

The Germans accepted all this under three conditions. First, as the price to be paid for the ending of partition. Second, as part of what Chancellor Helmut Kohl hoped would be a much broader and deeper political unification of Europe. Third, on the understanding that there would be no bailouts between members of the common currency, who would adhere to strict “rules” on deficits and other economic criteria. The then finance minister, Theo Waigel, assured Germans that “we are bringing the D-Mark into Europe”. But as it turned out, currency union was not accompanied by full political union; the EU retained its loose, confederal governance structure. The French believed that they had neutralised the German economic threat, while retaining their political sovereignty and military autonomy. The British, who knew that currency union meant the end of national sovereignty, and feared that greater European integration would strengthen rather than contain Germany, stayed out of the euro.

This political halfway house was not what Chancellor Kohl had intended but it suited his compatriots perfectly well. They uploaded much of their premodern political culture into the EU, especially a penchant for the legalisation of political disputes, interminable debate and due process, so that the Union began increasingly to resemble the old Holy Roman empire. The French interior minister and some-time defence minister Jean-Pierre Chevènement even accused the Germans of trying to dilute the power of the national states, and thus the barriers to their dominance, by holding up the Holy Roman empire as a model for European constitutional development. He was only half right, in the sense that much of the authority lost by the member states in the crucial areas of fiscal, foreign and military policy was not so much arrogated as atomised. Like the old empire, the European Union was based on the diffusion rather than the concentration of power.

This did not much bother Germans, especially after the collapse of communism, because the expansion of the EU and Nato eastwards left Germany, for the first time in her long history, surrounded only by friends; her interest in security matters, especially the problem of Russian power, began to lapse. Indeed, rather than attempting to throw her weight about in Europe militarily after 1989, Germany refused to participate in the first Gulf war, and only involved herself in the subsequent Yugoslav wars and the US-led war on terror within a firmly multilateral framework. One way or the other, it seemed, the German behavioural transformation since 1945 had neutralised the structural shift wrought

by reunification. The German Question, it appeared, had been solved by Germany’s integration into the west.

In behavioural terms, this was perfectly true. The Germans had indeed changed, but Europe had not, or not enough. First, the German economy recovered: the talk was of a new “Modell Deutschland”. Then the bubble caused by currency union exploded on the western and southern periphery, and Europe found itself without the necessary instruments to respond beyond the national level. The confederal political structure of the currency union favoured its biggest member. As the largest and healthiest economy, not only was Germany well placed to weather the storm, but she increasingly dominated the pan-European response. Berlin has been reluctant to empower the European Central Bank to embark on the bond-buying mission the bankrupt periphery so desperately craves, and has prescribed a diet of unpalatable fiscal “rules” instead. This is because, in the absence of full political union, any significant debt forgiveness or intentional inflation would be at the expense of the fiscally prudent, and only encourage the beneficiaries to incur new obligations.

Then the European security bubble exploded as well. In March 2014 Russia’s aggression in Ukraine raised the question of the extent to which the Germans, snug in their central European idyll, far from the centre of the crisis, desirous of good trading relations with Moscow and thirsting for Russian energy, are capable of thinking of the general geopolitical good of Europe, now that their own immediate security does not depend on it. Yet their disengagement was no more selfish than that of, say, the even more remote Spaniards and Italians, and it was not only enabled, but facilitated by the flawed political design of the EU, which has dissipated the continent’s vast economic and military potential rather than bringing it to bear on the common enemy.

In short, the present mess is the fault not of the Germans, specifically, but of the German problem, which is not the same thing. European integration was designed both to contain and to mobilise Germany. Its centrepiece to date is the euro, but, given the unwillingness of the rest of Europe to enter into a matching full political union, the EU faced the resulting sovereign debt crisis and the Russian challenge without the governmental apparatus it required in order to end the crisis. Instead, the European project as now constructed, and especially the currency union, originally designed to contain German power, has increased it, just as the British Eurosceptics warned it would. Germany is

no more to blame for this than anybody else in the eurozone.

To be sure, critics are right to source much of the present European malaise in the German imperial legacy, but the empire in question is not that of the Kaiser or Hitler but the old Holy Roman empire, whose strengths and weaknesses live on in the European Union of today. Instead of anchoring the common currency in joint parliamentary representation and a strong state capable of efficient revenue extraction as is the case in the United Kingdom and the United States, Berlin is attempting to run it through the acceptance of German “rules” and political culture. Instead of a single foreign policy and military capable of deterring

The markets will not rest until the euro either dissolves or shrinks

aggressors, we have a perpetual palaver that reminds one of nothing so much as the equivocations of the Holy Roman empire in the face of Turkish or French threats.

The future holds four possibilities. The first and most likely, in the short term, is more of the same, in which Germany enforces the eurozone “rules” and everyone else acquiesces to them. Even under the best-case scenario the result will be the slow strangulation of states such as Greece, which lack the native strength to push through or benefit from the reforms required to make them competitive again. The eurozone will continue to stagger from crisis to crisis. In so far as this process is supported by individual elected governments, it enjoys a democratic legitimacy of sorts, but leaves unresolved the matter of which voters are actually responsible for the European debt.

As such, the second possibility, namely a catastrophic blowout of the euro on the



“Nice one, Humpty, mate. You smashed it”

international markets, remains acute. The markets know that, as it is configured, the euro defies the laws of political and economic gravity and some day will fall. They will not – cannot – rest until the common currency either dissolves or shrinks to a smaller core, or until there is a credible government that takes responsibility for the entire sovereign debt of the eurozone by creating full federal political union.

The third possibility, namely a German exit from the euro to allow a looser monetary policy by the ECB, or the creation of a much smaller “core” eurozone with Germany, might or might not solve the economic problem, but it would completely frustrate the political purpose of the whole exercise, which was to contain Germany within a larger whole. This, rather than any sense of solidarity among the fiscally profligate, is what has driven the French determination to keep Greece and all the other struggling states in the eurozone. It is also what underpins President François Hollande’s very recent call for the establishment of a eurozone parliament with budgetary powers. This is, in fact, the fourth and the only really plausible option: the creation of a complete political union in which the common debt and the common foreign policy are the responsibilities of a common parliamentary representation. It can only work if Hollande carries this thought through to its logical conclusion, which is the final transfer of sovereign powers from the national to the European Parliament. That will require the French to give up one of their most cherished policies, which is to insist on a European arrangement for Germany, but a French one for France.

Whatever the solution, it will have to allow the Germans to continue to act as subjects of the European system, without turning most other peoples on the continent into objects. It will have to avoid a “Versailles” for both Germany and everyone else. It will also have to mobilise the collective energies of Europe, including those of Germany, to deal with the enormous challenges posed by the growth of Russian power, and to compensate for the relative decline of the United States. It will have to close the gap that opened up between politico-military and socio-economic integration in Europe in the 1950s. In short, it must once and for all settle the German and European questions at one stroke, for to settle the one is to settle the other. ●

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