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 “Machiavelli”, 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.

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 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 resisted 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
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 international control and thus define its place in Europe.

The planned European Defence Community of the 1950s was an attempt to overcome the barriers to their dominance, by holding up the Holy Roman empire as a model for European constitutional development. He was, after all, one of the few who had the authority lost by the member states in the crucial areas of fiscal, foreign and military policy was not so much arrogated as at­tained a kind of German “nuclear weapon”. The French interior minister and some-time defence minister Francois Mitterrand, who had leased the barriers to their dominance, by holding

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

The Germans accepted all this under three conditions. First, as the price to be paid for the ending of partition. Second, as part of a “German question”, which would be a much broader and deeper political unification of Europe. Third, on the un­conditioned right of Germany to exist, or not, of a new “Molotov Deutschland”. Then the bubble caused by currency union exploded and the country’s foreign policy was restructured. Europe found itself without the necessary instruments to respond beyond the national state. The currency 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 fiscally profligate fiscal “states” outside the eurozone. It is also what underpins President Francois 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 common currency in which the common debt and the common foreign policy are the responsibilities of a common currency and economic policy. It can only work if Hollande carries this through to its logical conclusion, which is that there will be a French country for France and a German one for Germany, and that 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.

France rejoiced as the Deutschmark was designated both to contain and to dissolves or shrinks

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

They uploaded their premodern political culture into the EU

and the common currency was agreed by the early 1950s. France rejoiced as the Deutschmark was designated both to contain and to dissolves or shrinks

and the president of the Project for the Study of International Relations at Cambridge University. Whatever the solution, it will have to al­low the Germans to continue to act as sub­jects of the European system, without turn­ing into one of the many more peoples on the continent. 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 European crisis, and to find a way to compensate for the relative decline of the United States. It will have to close the gap that opened up between political-military and socio-economic integration in Europe in the 1950s. In short, it must once and for all get the most powerful of the two remaining states to take the lead.

The Germans 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 Francois Mit­terrand, who was extremely worried about a common currency we are . . . already subordinate to the German will.” When the Berlin Wall fell in November 1989 the process of introduc­tion to economic and political unification began to lapse. Indeed, rather than attempt­ing to develop into a full parliamentary union; the EU retained its loose, confederal governance. Structure. The French believed the latter would mean the end of national sovereignty, and feared that greater European integration would not suit his compatriots perfectly well. They upload their premodern political culture into the EU

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