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GERMAN FOREIGN POLICY AND THE WEAKNESS OF THE LEFT IN FACE OF THE ECONOMIC CRISIS.

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From a critical German point of view, the current euro-currency crisis seems to have a lot to do with the weakness of the Left, and especially with the weakness of the German Left. The reason lies in the fact that the various German governments in the past two decades have been able to impose a severe austerity policy, not initially on the EU but on Germany itself. This has had far-reaching consequences for the EU as a whole. But before looking at these consequences it is important to assess the reasons why German governments have imposed an austerity policy on their own country. For this was not just an accidental occurrence, but was well thought-out.

GERMANY’S AUSTERITY POLICY

An economic austerity policy is of strategic imprtance for the German Establishment. Of course low wages and poor social benefits are always in the interest of entrepreneurs and the ruling elites in any country: they increase the profits of big business and reduce the social obligations of the state, making the ruling elites richer and giving them greater political leeway. But for the German Establishment it is more than that. Germany's revenue and wealth come in high degree from exports. In the second half of the 1980s and again from 2003 to 2008 Germany was the world leader in exports, only losing this position in 2009 - to China. From the point of view of the German Establishment, China, whose exports continue to rise quickly, has become a principal economic rival in the fight for shares in the world market. If one want to compete with China one thing is certain: the lower one's labour costs, the better the chances of winning. So for the German Establishment an austerity policy is a very important means of competing with China and maintaining the traditional German path to eceonomic growth and wealth.

There is also an aspect which derives directly from the special situation of Germany following the Second World War. After 1945 Germany had lost its former military power. It was allowed to rebuild an army, the Bundeswehr, in 1955, but the Bundeswehr was not strong enough to compete with the French and British armies, not to mind the American one. The victorious Allies of the Second World War had clearly no intention of allowing Germany to revert to its traditional military power policy. For this reason Germany's policy elites had to find other ways of realising their ambition of becoming powerful in the world once again. They adopted an idea which they had first developed following Germany's defeat in World War 1: namely, the possibility of wielding power by means of a strong economy. Thus for the German Establishment strengthening Germany's economy has been not just a matter of increasing rhe country’s income and wealth, it has also been an issue of political power – much more so than for any of the other Western states.

The austerity policy which the German elites imposed on Germany with the aim of competing on the world market has had severe consequences for Germany itself. Real wages were cut and social welfare was drastically reduced, especially during the chancellorship of the social democrat Gerhard Schröder. According to an OECD study, between 2000 and 2005 poverty in Germany increased faster than in any other Western country. When the Schröder Government was voted out of office in 2005, poverty in Germany lay for the first time above the OECD average. Furthermore, the German austerity policy has had severe consequences for the EU, and particularly for the eurozone. Due to shrinking wages and cuts in social benefits German companies were able to produce cheaper goods and to sell more of them not only on the world market but in other European countries such as France, Italy, Spain and Greece. This was possible because in the years before the euro crisis these countries did not follow the German austerity model. Indeed, they lost their competitiveness vis-a-vis Germany at the time.

THE ROLE OF THE EURO

Take France for example. In April 2010, when the euro crisis escalated, Jacques-Pierre Gougeon, an expert in the Paris-based "Institut des relations internationales et stratégiques", stated in "Le Monde" that labour costs in France had risen by some 17 percent between 2000 and 2009. Obviously, not only French companies but French workers profited from the economic growth of those years. Gougeon pointed out that during the same decade labour costs in Germany had shrunk by 1.3 percent. Clearly German workers were denied a comparable share of economic growth and the associated rise in profits of German companies. Gougeon further pointed out that in 1999 France had had an export surplus of 39 billion euro. Ten years later, things had changed dramatically. Now, France bought much more than it sold and had an export deficit of 43 billion euro. The main reason for this turn-about was that Germany, impelled by its austerity policy, had increased its exports not only on the world market generally, to the disadvantage of competing French exporters, but also had increased its exports to France itself. France was thus paying more and more money to buy German products and falling ever deeper into debt. This has continued up to the present. In 2012, German exports to France rose to 104.5 billion euro, whereas French exports to Germany were only 64.8 billion euro. This means that, in the final analysis, France had to pay a net sum of some 40 billion euro to Germany in 2012 alone.

It is not unusual that the economies of different countries develop differently. Generally states have the means to react if another national economy becomes too strong: they can remedy a fundamental lsos of competitiveness by devaluing their currency. Since the introduction of the euro the eurozone countries clearly no longer have this means. They cannot protect themselves against an ever stronger German economy and instead run deeper and deeper into debt. That is why one can say that the euro-currency crisis has naturally something to do with the introduction of the euro itself, but it is also connected with the weakness of the German Left which has not been able to prevent successive German governments from imposing a severe austerity policy at home. This has had the effect of increasing the imbalances between the national economies of the different eurozone countries and driving some of them so heavily into debt.

Of course the German elites tell the world that the opposite is true: that their austerity policy is the best course of action which must be followed in all eurozone countries and then all will be well. This is exactly how the eurozone countries have fared under effective German domination in the past few years.This however is a path leading to widespread poverty across Europe; so I believe that one should change course.

THE WEAKNESS OF THE GERMAN LEFT

If one seeks to do that the question arises: Why did the German Left not fight hard enough and prevent the austerity policy? There are different reasons for this. One reason which is deeply rooted in German history relates to the country's political culture. The people of Germany have never had an internal revolution or toppled a monarch or dictator in their own country as citizens have in other European states. The revolution of 1848 failed. The German Reich of 1871 was founded on the basis of waging a war against France while influential leaders of the German Left were in prison. Democracy was introduced in 1918 because the Kaiser had lost World War 1 war and had to abdicate. In 1945 Germany had to be liberated from the Nazi dictatorship by the Allid Powers. Resistance inside Germany itself was quite insufficient ro induce change. Resistance by the political Left was decimated following Hitler's advent in 1933 because leftwingers either had to flee or were imprisoned, many of them in the early concentration camps. It would be foolish to imagine that this history and national experience would have no major general influence on Germany today.

Sometimes one can understand the differences between the Left in Germany and in other European countries by looking at some minor event whose significance many may not appreciate. One such incident was a demonstration in Hannover on the 23April 2009. The tyre manufacturer Continental, whose headquarters is located in that city, was planning to shut down a factory. The workers protested and demonstrated in the streets. Business as usual, one would think. However the unusual feature was that the factory which was to be shut down was situated in Clairoix in France and the workers who staged the protest in Hannover were French. In Germany it is understood that French protesters tend to be far more resolute than German ones; so, the police in Hannover took special measures. They printed leaflets in French, which was a remarkable thing for Germany, telling the French workers that they had to behave decently and that in Germany it is forbidden to burn tyres or undertake extreme action like that if one stages a demonstration. Even German trade union officials were concerned and joined the protests while appealing to their French colleagues to avoid such steps.

This story is only a detail, but it is a quite typical one. It may give one an idea why it is easier for the German Establishment to succeed in imposing an austerity policy in Germany than it is, for example, for the French elites to do that in France. This difference is an important part of what the conservative "Frankfurter Allgemeine Zeitung" had in mind when, in March 2012, it pleaded for a "cultural revolution" in Europe. "The south" of Europe, the newspaper wrote, having not only Greece, Portugal, Spain and Italy but also France in mind - "the south" of Europe should adjust its "political-economic culture" to the German model.

If one wishes try to find out why there were, and are, no significant protests against the austerity policy in Germany, one should also look at the German system of "social partnership" - the system of collaboration between the trade unions and big business. This aims primarily at reducing industrial conflict and has the long-run effect, many believe, of weakening workers' protests and bringing significant advantage to entrepreneurs and to the state. In the case of the austerity policy which was closely connected with the so-called Hartz IV reforms, the trade unions did not resist as determinedly as somw of their members had hoped. They acted rather in a way which led some clearsighted neo-liberals to praise them highly. Thus for example in early 2010 the conservative newspaper "Die Welt" praised the trade unions and works councils at the big chemical company Lanxess for having introduced "new forms of collaboration". It it quoted a trade unionist there as saying: "The crisis transformed us from members of the works councils into co-managers." In April 2012 "Frankfurter Allgemeine Zeitung" wrote approvingly: "Instead of ideologists eager to strike, there are even more co-managers in the leading circles of the trade union head offices and in the works councils."

German trade unions have even been consciously instrumental in imposing the German austerity policy on the EU. At least the "Deutscher Gewerkschaftsbund" or "German Confederation of Trade Unions" has initiated some integrative measures which aim at preventing trade unions in crisis-torn countries from protesting against austerity in the manner of the tyre-burnings by the French Continental workers. In December 2011 Michael Sommer, Chairman of the "German Confederation of Trade Unions", met with Chancellor Angela Merkel to discuss the euro crisis. They both publicly agreed that the EU Fiscal Pact should be complemented by local spending programmes to improve the social situation, but the austerity policy as such was not called into question. Four months later Sommer invited trade union chairpersons from eight other European countries to two meetings in Berlin - one with Chancellor Merkel and the other with leading social democrat Frank-Walter Steinmeier. Followiong the meetings Sommer declared that the EU Fiscal Pact should be complemented by spending programmes. Again the austerity policy as such was not criticised. With these meetings in Berlin, the German Confederation of Trade Unions helped to integrate leading trade union officials from Belgium, Sweden, the Czech Republic, France, Italy, Spain, Greece and Ireland into a common approach.

THE EURO – PROS AND CONS

In the past three years, the euro crisis has led to growing opposition to the euro-currency in Germany. There is a Left opposition to the euro, mainly in "Die Linke", the "Left" party, although majority opinion in it is pro-euro. One reason why the Left opposition to the euro is relatively weak is that the German elites traditionally used an ultra-chauvinistic policy to become more powerful in the worls. During the Nazi period this policy was openly racist and anti-semitic. Many in the German Left hope that a "European-oriented" policy will at least prevent the worst prospect, namely a reversion to such methods. On the other hand a right-wing opposition to the euro has now grown in Germany and is currently focused on the party "Alternative für Deutschland" ("Alternative for Germany"). At bottom this party is an instrument of those members of the German economic elite who are of the view that saving the euro is likely to be too expensive and risky and that sooner or later it will drag down the German economy. If one take a close look at this party, one will find that some of its leading figures are in touch with the far-Right. Worse, some of its members or supporters who belong to influential parts of the German elites are known to have voiced explicitly anti-democratic sentiments. For example, one of them suggested denying the right to vote to the jobless. Another spoke in favour of re-introducing a monarchy, an institution which in Germany has quite different connotations from that in such countries as the Netherlands or Britain.

Despite these concerns in certain German elite circles, a clear majority in the German political Establishment defends the euro - not only because Germany benefits the most from the single currency but because the abolition of the euro would be a severe blow to the EU project as a whole. From the point of view of the German Establishment, the EU is a very important instrument which affords it influence in the world – it being obvious that Germany alone is too small to compete politically or militarily with such great powers as the United States of America or the People's Republic of China. This is why it was very important for Germany to get through the Treaty of Nice and the Lisbon Treaty, both of which emvisage a "European" or a "Common" Security and Defence Policy. The fundamental aim is to pursue a common European foreign policy with a military aspect to it on the basis of the combined strength of all 28 EU member states. This has far- reaching consequences because it means that the national foreign policies of all EU members have to be melded together into one single "European" foreign policy - something which is impossible without a severe power struggle between the stronger European states.

GERMANY AS LEADER OF THE EU

Having been the most influential EU member state for a long time, Germany has emerged from the euro-currency crisis as the indisputable leader of the European Union. The magazine "Internationale Politik" ("International Policy") stated frankly at the beginning of 2011: "A structural question of the European Union was clarified in 2010 ... Germany, with the largest national economy, has definitively emerged as the central player in the Union. To put it bluntly: Merkel is ... no longer just Germany's chancellor, but the European Union's as well." The "role of the vice chancellor" certainly fell to the French President "who has the leeway to take the initiative in a policy debate but could be roped in by the chancellor, Merkel, should they disagree". The French President has since then been "roped in" economically several times when he tried to escape from Germany's austerity diktats. Currently Germany is trying to dominate the EU Common Security and Defence Policy as well.

This can be seen in the disputes concerning the war in Libya, the war in Mali and the intervention that was proposed in Syria in summer 2013. It can be seen in the attempts to bring about an EU army. Germany clearly wants an EU army, the reason being that the Bundeswehr is weaker than the British and the French armies and it is precluded by the post-War treaties from having nuclear weapons. Thus Germany would benefit from having common cross-EU armed forces, which presumably in time would have a "European" nuclear weapon. If Berlin secures its dominant position in the EU it will be able to guide the "Common Security and Defence Policy" according to its own foreign policy goals. This is the reason why London and Paris signed a binational "Declaration on Defence and Security Co-operation" in November 2010, agreeing on common armaments projects and the building of a Combined Joint Expeditionary Force. Clearly France and Britain are not in favour of Germany's domination over every policy field. The German political Etablishment is naturally well aware of this and is trying to discredit the pact between London and Paris. In August 2012 the "Deutsche Gesellschaft für Auswärtige Politik" ("German Council on Foreign Relations") referred to it as a "New Entente Cordiale" and warned that it should be dealt with cautiously by German policy-makers.

Two things seem clear. Firstly, there will be no possibility of any EU member state staying neutral in future wars; the building of an EU military bloc will encompass all of them. And secondly, the German policy-making elite sees the militarization of the EU as one of the main elements of the Union. "The European project of a common security and defence policy will be an engine through which Europe can grow together," stated German Foreign Minister Guido Westerwelle at the Munich Security Conference in February 2010. If one remembers German history one will recall how Bismarck in 1871 forged a German state out of the many smaller German kingdoms and principalities: He waged a war against France, melding all the principalities together and securing Prussian domination over the militarized German Reich.

No one is obliged to consent to the militarization of Europe. It would be a good idea for the German Left, but also for the Left in other European countries, to fight against this kind of militarization. It is not a hopeless fight, as may be seen by the manner in which the "No" of the British Parliament prevented a war against Syria in 2013. It is important to combat the economic austerity policy in Germany and across Europe, but it is important also to bear in mind that militarization and austerity are not accidental occurrences but form part of the fundamental policy strategy of the Federal Republic of Germany, which is now the most powerful state in the European Union.