

American Institute for  
Contemporary German Studies  
The Johns Hopkins University

AICGS Research Report No. 8

**Break Out, Break Down  
or Break In?**  
Germany and the European Union  
after Amsterdam

edited by  
Carl Lankowski

American Institute for  
Contemporary German Studies  
The Johns Hopkins University

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# FOREWORD

For international relations and public policy, the single most important process in Europe at the edge of the 21st century is transnational regional integration centering on the European Union. The perceptions and strategies of the Federal Republic of Germany will play a decisive role in determining the path of EU-integration. Economic and Monetary Union (EMU) is ushering in a qualitatively new situation in the constitution of Europe. For the first time, a central policymaking authority is being supranationalized and an icon of German postwar success and prestige is being given up willingly in a determined effort to embed key German institutions in European structures. Americans are slowly waking up to the reality that the Germany's role in the process of regional integration will also profoundly affect the transatlantic relationship.

Recognition of these facts prompted individuals representing research institutions in Denmark, the Netherlands, France, Great Britain, Poland, and the United States to take stock of the situation, in what we hope will be just the first fruit of ongoing inter-institutional collaboration. AICGS is pleased to publish these original essays with that aim in mind.

Is EMU the apogee of Germany's commitment to an ambitious agenda of European policy and institutional integration? Will Germany have the capacity and the will to pursue such a policy? It would be impossible to do justice to these questions while restricting attention to the general pronouncements of the chancellor and other political leaders on European integration. The rhetoric of leadership occludes the dynamics of specific policy sectors and the reactions of important partners. Whether Germany is tempted to develop a more independent policy in Europe depends on the efficacy of operating through European institutions, which can vary from policy to policy. Consequently, the authors explore Germany's engagement sector by sector.

As a counterpoint to the sector analyses, two contributions were solicited that focus on the thorny question of national identity. Ulf Hedetoft focuses on the German political class' self-portrayal of Germany's position in Europe, while Robert Aspeslagh and Henk Dekker summarize the results of three recent public opinion surveys of Dutch citizens about their perceptions and evaluations of the Germans.

Against this background, three authors examine Germany's behavior in three key policy sectors. Anne-Marie Le Gloanec shows that Amsterdam's anemic outcome with respect to common foreign and security policy (CFSP) is attributable in large part to drift in the Franco-German relationship. William

Paterson highlights the domestic sources of Bonn's lack of aggressive campaigning to make EMU more palatable to the German population, and in so doing points to the continuing gap between commitments of the political class and public opinion where regional integration is concerned. This gap is the point of departure for Carl Lankowski's essay on Germany's EU social policy, in which the direction of policy development is linked to the shifting demands of the baby boom generation.

This volume concludes with Janusz Reiter's treatment of Germany's position on EU eastern enlargement. Reiter, until recently Poland's Ambassador in Bonn, leaves no question about Poland's desire for inclusion in western regional institutions. As if to underline the importance of timing and sequences in eastern European rapprochement with the west, NATO plays an important role in the analysis.

Overall, the picture that emerges from these essays is a Germany whose leadership has thrown as much excess baggage overboard as possible in order to salvage the central integrative strategy. Several of the essays make the German government's clear priority for EMU explicit. Explicit or not, this reality may provide additional explanatory power in accounting for apparent German hesitancy in other policy domains.

On the other hand, the analyses also underline the ambivalence of the integrative venture, now that the EU has become involved in the core institutions of national sovereignty—monetary, foreign and social policy. Though easily comprehensible, there is some irony in the fact that movement in these areas has pushed Germany to become more preoccupied with itself. The irony consists in the reticence of Germany's partners in broadening out the integrative agenda. The essays suggest that this is in part traceable to ambiguity between two overlapping but different motives: building Europe or taming German power. To the extent that Germany's partners are relatively more interested in the second project, they have acted as a brake on integrationist designs and have at least implied less supranationality and greater action on the basis of explicitly cultivated and articulated national interest. The dilemma confronting Germany's EU partners comes from the asymmetry between mostly implicit designs for Germany and preferences for themselves.

The intra-EU increase in political, economic and social heterogeneity implied by impending eastern enlargement reinforces this situation and becomes a factor in gauging the tempo of that process and the relationship between the NATO and EU enlargement processes. It may be less important that eastern European countries get into the EU soon than that they get into an EU that has moderated the power of the big powers and provided a voice for the

others. The optimal accession point in this process remains unclear because candidate countries may be as unsure as current members about the degree of integration they desire.

Equally, these essays provide new insight into Britain's EU role. Simply put, nervousness about identity looks more like a phenomenon endemic to integration rather than something special to the British. Put the other way around, Britain's new EU engagement may have more to do with changing European rather than British perceptions.

German colleagues have been associated with this project and have been asked to respond to these analyses with written contributions to be included at the next stage of publication. That will take the form of fuller treatments of the subjects treated in the following chapters in a volume planned for release by Berghahn Books in 1999.

A word of thanks is in order to the authors for the excellence of their contributions and the spirit with which they permitted the editor to compress them for the purpose of this publication. AICGS publications owe much to Lindsay Thompson Gould, on whose indefatigable efforts to keep them on track and on time we have come to rely. We are grateful in acknowledging that funding for this project comes from The German Program for Transatlantic Relations.

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Research Director

April 1998

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**Robert Aspeslagh** became educational staff member of the Netherlands Institute for Studies on Peace and Security in The Hague in 1975. After 1983 he joined the Netherlands Institute of International Relations Clingendael in The Hague. From 1988 through 1993 he participated in a project on peace building in Lebanon and in 1993 he conducted research on national clichés and stereotypes about Germany amongst Dutch youth. Since 1994 his focus has been on Germany and the Dutch-German relations. He is currently scientific secretary of the Dutch Foundation for the Promotion of German Studies in the Netherlands and of Platform Germany

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## GERMANY'S NATIONAL AND EUROPEAN IDENTITY: NORMALISATION BY OTHER MEANS

Ulf Hedetoft

### I

A current joke in Denmark—the home of the author—borrows from a well-known Clausewitz dictum to posit that “Denmark is the continuation of Germany by other means.” In the mid-80s, a Danish historian put the same thought into slightly more neutral tones: “Geographically it is easy to see that Denmark is part of the north German lowlands. Eric Scavenius<sup>1</sup> once pointed out that Denmark’s position in foreign policy terms is dependent on who controls these lowlands. And it has never been Denmark....Denmark was [always] too small or northern Germany too big....The division of Germany apparently made it possible for Denmark to emancipate itself from what had been its destiny, i.e. being constrained by relations to northern Germany.” (Mørch, 1985; my translation, UH)

Such assessments of Germany’s significance for Danish history and politics articulate a very Danish brand of half-cynical pragmatism. On the one hand it conceals a certain truth, on the other it stands in an oddly inverse relation to the sentimental sovereign ambitions embedded in the self-referential, almost hermetic confidence of Danish national identity, its traditional aversion to all things German, and its scepticism toward European integration and European identity.<sup>2</sup> These points are closely linked, for in Denmark European integration was for very long interpreted as a German ploy for recouping power, sovereignty and hegemony in Europe—by the masses more than by the elites.

For both social strata, Germany has played a significant agenda-setting role, both as a major political actor in Europe *eo ipso*, but also as a kind of “negative touchstone” and very significant “Other” for Danish identity, wedged between dependency and self-confidence. From this vantage point, Germany has been seen and acted upon as a European megalith with a clear trajectory for the future: the teleology of a great power in the making.

However, it is useful to turn the tables on this small nation perspective: This interaction between real dependency and a symbolic sovereignty of identity, between weakness and strength in Denmark can be used as measuring rod for gauging the German position on similar matters of national and European identity, on weakness and strength, on dependency and self-sufficiency. A recent book written in this vein is aptly called *The German Predicament* (Markovits & Reich, 1997). Germany is a country centrally defined along a number of historical and contemporary dualisms, ambiguities, inconsistencies,

riven between power and identity, between leadership and insignificance, and between different prescriptions for these predicaments. This article will look at some of these, mainly focusing on what has happened to the problem of German identity—in a European context—since unification.

## II

It is a well known fact that in the arena of national identity, contemporary Germany has been preoccupied with the problem of its abnormality.<sup>3</sup> Hence, “normalisation” has gradually turned into a political and cultural icon in the discourse on German identity—a respectable goal to be pursued on a historical backcloth typified by the ignominious results of the German *Sonderweg* and the widely accepted contemporary context of “European integration.” In other words, Europe—in terms of both political economy, international recognition, and national identity—has in the postwar era played a variety of significant roles for Germany in its efforts to “normalise,” especially to be recognised as a normal (read: legitimate and non-aggressive) country by the international community.

It is less well known that this very road towards normality contains features that are pretty abnormal and would qualify for the use of the term *Sonderweg* in a new setting. This applies both when measured against the background of orthodox nation-state objectives and identity formulations, and if gauged in the comparative light of other EU member states and their programmatic stances vis-à-vis the European project. As for the **former**, Germany has for most of the postwar period suppressed official pride in the nation and direct celebrations of national successes in favour of both open manifestations of shame and guilt about its historical legacy of nationalism and of highlighting its European orientation and “identity”—which thus came to act as the official “supranational” replacement anchor for “national” satisfaction. *Verfassungspatriotismus* was for a long period the only acceptable coinage that could be used to set in motion more direct echoes of national identity and pride. As for the **latter**, Germany has widely been recognised as both the most central member state of the EU and one that at the same time is reluctant to take full advantage of its power and leadership potential: a self-subdued, “tamed” giant (Schwarz, 1985), evincing what William Paterson has called a “leadership avoidance complex” (Paterson, 1993), conscious of its historical burden, and therefore integration-minded even in cases and situations where its interests might have been better served by acting in ways dictated mainly by *Realpolitik*.

All this makes the use of the term *Sonderweg* apt, since it all adds up to a specific way of treating European integration from the position of national

vindication. On the other hand, these major pieces of the German mosaic can be fitted together in a different way, one that is less concerned with the **costs** of this “moral” integration avenue for Germany (the benefits being “recognition” and “normalcy”), and more concerned with the flexibility and maneuverability it affords the country.

The most significant point is that where in Denmark and many other countries in Europe national identity and European supranationality must necessarily be to some extent at loggerheads, Germany’s elite national identity formulations and European supranationality complement each other in a rather frictionless and productive manner. In an important sense, German elite nationalism at this level is very largely identical with a pragmatic discourse about a European supranationality: Germany serves its own interests and visions of itself and its future best by embedding its political actions and discourses in the framework of Europe. For the same reason, Germany can come across and represent itself as a relatively insignificant country, shying away from political and military leadership, paying its moral dues etc., but in very real terms still being an extremely influential country with great political and economic clout.

Until unification, this was an extremely important feature of German Europeanism, Europe acting as an identity crutch and a political-economic bolstering device for German rehabilitation and German unification. This strategy has been referred to in a number of ways, e.g. “soft hegemony,” “hegemony by stealth,” “semi-sovereignty,” *Machtvergessenheit*. Europe was incorporated into perceptions and formulations of German nationality, and notions of interest, sovereignty and elite identity formulations converged under the protective umbrella of European integration and identity.

### III

This should not be understood as in any way implying malignant intent, let alone a conspiratorial frame of mind among German elites. It is a reflection of a real coextensiveness between a German national identity which was for very long considered as illegitimate, and a very pragmatic version of European supranationality. It differs from some southern variants (including the French) in being more pragmatic in both discourse and substance. Where the French version glosses over the national interest through a European “universalist” discourse, the German makes no bones about the guiding teleology: “*Europa lohnt sich für uns Deutsche*” (CDU, 1984) (“Europe pays off for us Germans”). This is just one manifestation of a generally very open approach by the German political elite to the effects of supranationality for German interests and to the

model role of Germany for Europe, but hence also a just as real commitment to European integration and European values. This pragmatic position sometimes produces a very affective discourse of Germany's European commitment and even quite opaque political acts like the acceptance of the EMU in spite of the strength (and symbolic national import) of the *Deutschmark*. This is frequently explained in terms of a *quid pro quo* between Chancellor Helmut Kohl and President François Mitterrand in the early 1990s, the former gaining French concessions on political integration, the latter gaining influence on currency-related issues in an otherwise German-dominated *Deutschmark* zone. However, this undoubtedly valid point needs to be supplemented by other perspectives.

The first is that the European dimension has been integrated into elite thinking in Germany as long-term political and security-related interests, where the line between what is "German" and what is "European" has to a significant extent been blurred; the second—and perhaps causally related—point is that in Germany's case we are faced with a power that is in the exceptional situation of being able to have its cake and eat it too: whether Europe moves ahead along one or the other road to integration, Germany can adapt to this, because the others have to adapt to Germany even more. Not primarily because Germany is throwing its weight around, but because the economic and financial influence, the concomitant political power, and the security-related position of Germany together produce the pivotal significance of that country in the middle of Europe. This is a kind of double-bind scenario, where the integration project, in some format, cannot realistically be ditched, and where Germany's role is at the center because the euro can only work as a "copycat" *Deutschmark* (that is the only euro Germany will accept; and without Germany—no euro). On the other hand, it will not do to view such policies within the framework of realistic explanation. Rather they should be viewed through the lense of a new syncretism between a realist substance/frame of mind and a liberal-institutionalist form: German "multilateralism" (Paterson, 1997). This is truer for Germany than for any other European country, and it rubs off on its identity perceptions, which become remarkably reflexivist, integrating images of "the Other" into perceptions of "Self" (Hedetoft, 1995).

#### IV

Three salient aspects to the German teleology of Europe need to be mentioned:<sup>4</sup> 1) the commitment to a European framework of values; 2) the reversal of the above mentioned pragmatic causality immanent in German supranationality (i.e., "We pursue German interests because that is what is best

for Europe’); and 3) the elements of genuine transnational aspiration in the German pursuit of national interests.

As to 1) This comes across very clearly in most German political discourse about Europe. As an example, take the following snippets from a small CDU pamphlet from 1984,<sup>5</sup> in which Chancellor Kohl tried to answer the basic question why “we should say yes to Europe” in six different ways. Where the substantive text of the pamphlet would support the national interpretation already offered, still it is encoded in a European supranationality of non-material and non-pragmatic normativity, almost a cosmological discourse which is particularly emphatic in the headings introducing the six arguments, e.g. “We say yes to Europe because we have learned from history,” “...because we want to reunite Germany,” “...because we have made a decision in favour of democracy,” “...because we want to defend freedom and democracy,” and “...because we want to realise welfare and social justice.” This is underpinned by an existentialist rhetoric which occasionally refers to Europe as a “community of destiny” (*Schicksalsgemeinschaft*), a term otherwise reserved for the nation, or as a “political community of values” that, in typical German interpretation, is emphatically applied to the area of political **economy**: “All member states profit from the European Community and hence truly depend in an existential [!] fashion on the smooth functioning of the Common Market.” Such a discourse, combining “profit,” “functionalism,” “interest,” and “existentialism,” is originally, and possibly exclusively, German.

As to 2) This point is encapsulated in Hans-Dietrich Genscher’s by now famous, but still obscure (in terms of denotation rather than connotation) reiteration of Thomas Mann’s dictum, “not a German Europe, but a European Germany,” in a statement by Theo Waigel (1992), in which he proclaims that one of the advantages of the EU for Germany is that “we are exporting our model of stability to Europe!” (Waigel, 1992); and also in the following statement by Kohl on the by then completed process of unification: “I am convinced that overcoming the division of Germany will be a gain not only for the Germans but for all Europeans and will decisively assist European unification.” (in Krause, 1991, p. 308) This kind of argumentation blurs the line between means and end, Europe and Germany, national and supranational interests, by constructing both sides as, interchangeably, cause and effect, short-term and long-term objectives, or just as coterminous: by pursuing German interests in a particular way one is, *eo ipso*, pursuing the interests and objectives of European unity; the national teleology has a higher purpose. An argument often proffered in support of this position is that Germany is more prone to accepting a European federation than, say, Britain, because of its domestic federal structure and supposedly weak central power. Hardly a

convincing argument. By the same token, Switzerland should forcefully support EU federalism. Rather, this is the discursive orchestration of a *de facto* sub-hegemonic power, whose continuity of influences, self-perception, and meaningful action reaches well beyond its immediate borders: What serves the higher goal also serves our national interests, and the organisation of the unity of Europe must take account of “us” in no incidental way. If by “exporting our model of stability to Europe,” Europe is served well, it follows that Europe has extensively been shaped in “our” image and that any strengthening of European cooperation and integration is also a strengthening of Germany. Hence the separation between a “European Germany” and a “German Europe” posits a polarity which only makes sense in light of a negatively charged history, but which otherwise is fictive. This was true before unification. It seems to be even more valid today (see the following section).

As to 3) This German interest in Europe further implies that the invasion of the national interest by supranational orientations transcends such mere discourse. German moral supranationality has a serious component of political intentionality, though this may not always be directly reflected in the signs embedded in the discourse itself; rather, this discourse often constructs fictive rather than real reasons for German supranationality (e.g., the pursuit of “peace” or “democratic values”). When Kohl (in Krause, 1991, p. 310) contends that “(n)ow, as before, our central objective is the political unification of Europe...a United States of Europe,” and Rita Süßmuth, President of the German *Bundestag*, echoes this by arguing that “we have to give Europe a new political quality. It can no longer be a loose confederacy” (in Watson, 1992, p. 281), then this represents an important, bi-partisan (though not exhaustive) body of opinion among German political elites. For as Süßmuth continues in a no less German vein, “this is our interest. I know it may appear to many as being typically German, but...we want...a federal Europe. It is in that Europe that we want to see an effective European Parliament...” (ibid.).

In sum, the German **national** interest is in large measure **supranational** in some loosely defined sense. Such a system would guarantee a relatively greater political impact by Germany—via its political elite and suitable forms of voting and representation—on the decision-making processes in the EU institutions; would be continuously underpinned by a dominant economy and a currency “as strong and widely accepted as the German mark;” would vouchsafe both stability and security, two central factors of German post-war politics; finally, the federal character of the construction would ensure continued scope for national action (“we definitely do not seek centralism in Europe”—both statements by Kohl, cited in Krause, 1991, p. 309). Further, this would represent an avenue towards added influence in world politics without jeopardising the

classical advantages of a low-profile foreign policy behaviour. It is hence a rational option for a nationally informed German politics of European integration—though not the only possible option.

## V

One of the reflexive dualities of German identity that was mentioned earlier is that between strength and weakness. Another is that between self-assertiveness and modesty in the international arena. The configurations as far as these are concerned would seem to have changed somewhat since unification. Not in the sense, as predicted by many observers around 1990, that unification would imply a radical change from appearances of weakness and modesty in the past to new realistic patterns of behaviour; this has never been a serious option for the elites in Bonn.

Whatever changes have occurred should be understood more in terms of Germany both self-actuating—but also being pushed by others into—an identity formulation which weds Germanism to Europeanism in a way where the latter now patently—i.e., not just in terms of real power distribution, but also as open recognition and public discourse—becomes the dependent variable. In other words, not only do the German elites know what the country's position and power is in Europe (this they have known for quite a while), but they can now legitimately express it, and as a question of national confidence and identity as well. As the chancellor is reported to have proclaimed in late 1996: "United Germany is number one in Europe. We have about 80 million people. We are the country with the strongest economy. We are particularly well organised...We have our pluses and minuses. But taking everything together, we will not [get into trouble] if we take our place in the [European] house. Naturally the others accept that we will need the biggest flat." (*The Economist*, November 9, 1996) Six years ago what he was reported (by the same journal) to have opined was the much more benign, namely that "we are finding our national identity through our successful experience with European integration." (July 27, 1991)

This national identity has now been found—and at least externally consolidated: Germany wants and thinks it deserves "the biggest flat." It expects others to recognise this,<sup>6</sup> and it says so. On that basis it is willing to pitch in and consolidate European integration—but "identity" is much less talked about these days, and was not in any case a German construct from the start (but a French).

Interestingly, thus, in a very real sense the relationship between (perceptions and discourses of) weakness and strength has been turned around:

it is the perception of a greater and stronger Germany with less to fear from the east that is at the bottom of this rise in self-confident discourse, less the economic, political and military realities. Most significantly, the German economy, hitherto the staple of Europe, has recently found itself in the doldrums. And domestically, the identity question is much more of a real problem than before 1989. In this sense, we are observing a weakened Germany, but one with a more self-confident act internationally.

Germany still may think it is heading for a European Germany rather than a German Europe, but increasingly in the post-Cold War world it would seem that this distinction has little more than esoteric meaning. The construction and momentum of European integration is more than ever dependent on the will and interest of Germany to see itself within this partly supranational context, and to act accordingly. Whether this is a European harnessing of Germany or a German harnessing of Europe is really a very academic question, as long as it does not turn into a classical zero-sum game for this core player. So far, German elites are relatively (but no longer uniformly) content to interpret sovereignty, interest and identity in a European, supranational context. By and large elites are still committed to Europe. But Kohl's decision to run for reelection, after all, in 1998; heavy-handed attempts in the late spring of 1997 to appreciate German gold reserves and to influence French spending policies—in the name of rescuing the euro; the relocation of the capital from Bonn in the west to Berlin in the east; and the recent comfortable victory of Gerhard Schröder—now Kohl's designated rival for the chancellorship—in Lower Saxony—all of this might well signal a more seriously divided elite, prone to taking Schröder and others' European scepticism and their confident "Germany first" policies more at face value.

This, more than anything, is the real threat to the interlocking, pragmatic interpretation of national identity and European supranationality in Germany: a decisive slide from a moderate *Verfassungspatriotismus* to either a much looser and less committal German multilateralism or, much worse, a defensively argued zero-sum nationalism among the mainstream elite. Such a slide may not be imminent. But if this is what it would take to "normalise" German identity in earnest, most people abroad—and certainly in the north—would prefer the integrationist *Sonderweg* any day.

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## ENDNOTES

- <sup>1</sup>. Danish foreign minister during WW II.
- <sup>2</sup>. All of this is undergoing significant modifications in the post-unification and post-Cold War era, witness e.g. Søre, 1993, and Hedetoft, 1995.
- <sup>3</sup>. It is worth recalling that being non-normal is usually an honorary epithet of all manner of nationalisms: What else is implied by the ascription of ‘exceptionalism’, by national identities, to themselves?
- <sup>4</sup>. For a more thorough analysis of this aspect, see my reflections in Hedetoft, 1995, Part I, Chapter VII.
- <sup>5</sup>. *Die europäische Union*.
- <sup>6</sup>. Ironically, the article in *The Economist* from November 9, 1996, was entitled ‘Germany: Too Big For Its Boots?’ Apparently, Germany cannot just take for granted that “the others” recognise its natural right to the biggest flat.

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## AN EQUIVOCAL RELATIONSHIP: GERMANY AND THE NETHERLANDS

Robert Aspeslagh and Henk Dekker

### INTRODUCTION

Just one week's news clips about Germany in the Dutch press. A Dutch Euro-Parliamentarian, Arie Oostlander, gave an interview in one of the serious Dutch weeklies [HP/De Tijd, November 21, 1997]. He stated that Germany again has become the center of Europe: "I do not know whether or not in the end Germans can handle this situation. They still can move in a direction other than democracy." Oostlander described his attitude as vigilant, not fearful. Evidently, his doubts about Germany's *Demokratiefähigkeit* (the ability to be democratic), understandably present in the Netherlands during the sixties when Willy Brandt ran for the chancellorship, still exist fifty years after the establishment of the democratic Federal Republic of Germany.

In the second largest daily newspaper in the Netherlands, *De Volkskrant*, the father-in-law of one of the best soccer players in the Netherlands said, "if one of my two daughters had a German boyfriend, for me this would be a disaster." The headline of an article in a weekly for academics, *Intermediar* (November 20, 1997), declared: "Prejudices confirmed." In contrast, the content of that article was quite less confirming: "**The German** does not exist: the way they do business differs from *Land* (state) to *Land*."

Introducing the Dutch-German relationship in this way could leave a rather negative impression about the quality of the ties between the two countries. We could also have started by pointing out the good political agreement and cooperation between the various German and Dutch governments, in particular with respect to European unification and the fostering of a good Atlantic relationship with the United States. The economic relationship between the countries comprises the second largest volume of international commerce in Europe. In other words, the political and economic relationships between Germany and the Netherlands are excellent.

The political-psychological relationship, however, is problematic from the Dutch side, but not unequivocal despite the random collection of negative clichés and stereotypes about Germany and Germans in this introduction. In this contribution we will deal with three different surveys: (1) among political elites; (2) among entrepreneurs; and (3) among youth of fifteen through nineteen years. Analyzing these surveys we arrive at the conclusion that the relationship between Germany and the Netherlands is equivocal. Nevertheless, in this relationship reason rules over sentiment.

## **POLITICAL RELATIONS: ALTERNATING BETWEEN REASON AND SENTIMENT**

The political relationship between Germany and the Netherlands is excellent. The relationship is close and rests on mutual trust. The confidence of a good relationship with the Netherlands coincides with the way German politicians perceive their own state. They are rightly of the opinion that Germany has become a stable nation, which has taken up its European position in accord with the neighboring countries and the latter are content with this state of affairs.

Although the relationship between Germany and the Netherlands is an example of good international relations, we still have doubts about the underlying sensitivity vis-à-vis Germany. Our Dutch Euro-Parliamentarian reflects a different attitude. A Report to the Government from the Scientific Council for Governmental Policies noted: "Interest in the political-psychological climate is primarily a Dutch phenomenon, because it determines the limits of the Dutch policy. Dutch officials, entrepreneurs, the military, politicians and others have to reckon with it in defining their policy." (WRR, 10) The report continues: "We can ascertain that almost forty years after the end of World War II there is still talk of 'mixed feelings' on the part of the Dutch with regard to Germany."

In an entity like the European Economic Community (EEC), in which the Federal Republic played such a leading role, the establishment of good contacts between Dutch ministers and their German colleagues is of preeminent importance. "We wish to export to that country, we are willing to cooperate with the Federal Republic in the EEC and NATO, but many incline to chalk up their feelings to a bad experience with an individual German, something they won't do in the case of an Englishman or a Frenchman" (Stoel, 1979, 73-83).

On January 25, 1990, Minister of Foreign Affairs Hans van den Broek proclaimed in his speech to the second chamber of Parliament that the Rapallo era was over. He emphasized his confidence in a democratic Germany, which was firmly connected with the west through the European Union and NATO (Tweede Kamer, p. 1585 a.f.). The very need to make this pronouncement was characteristic for the mood about German reunification in parliament and government. The Dutch Prime Minister Ruud Lubbers, asserted at a dinner of leaders of governments of the EC that Helmut Kohl's ten-point-plan would advance the cause of German unification and that "there were dangers in talking about self-determination and that it was better not to refer to one 'German people'" [Thatcher, 1993; 797]. Anyone who understands the trauma of the German partition also understands that Kohl must have felt that these remarks

were very offensive and condescending. In his turn the German chancellor in 1994 called Ruud Lubbers “somebody full of self-conceit, a book-keeper, and ‘anti-German’” [*de Telegraaf*, July 16, 1994, 13].

The mixed attitude of the political and other elites in the Netherlands toward Germany creates confusion. On the Dutch part emotion contends with realism for the upper hand in dealing with Germany. On the one hand Dutch elites emphasize strong and good political, military, cultural, and economic collaboration. On the other hand it is no exaggeration to state that elite views of Germany mirror public opinion.

Support for this view can be found in the results of Elsevier’s study of Dutch parliamentarians of 1990 [Hoedeman]. This survey included a limited number of questions, from which a critical attitude towards Germany can be inferred. Three questions dealt with the commemoration of World War II; four questions dealt with the influence of the war on everyday politics. In total 50 percent of the members of the Second Chamber participated in the inquiry. From this inquiry it appeared that a large number of parliamentarians was distrustful of the new Germany. It was striking that 65 percent of them admitted to anti-German feelings and 68 percent thought about World War II in that connection. Nearly 85 percent connected the human rights violations with the Second World War. Among the parliamentarians 90 percent anticipated economic expansionism from a unified Germany. A large minority of 36 percent was of the opinion that unified Germany might be tempted to use military means to extend German influence. It was also striking that more than half of the cohort born after 1950 answered “sometimes” or “often” when asked whether they harbored anti-German feelings. One might attribute these emotions to the view widely held among parliamentarians, that the government kept alive memories of the Second World War. But a majority of 79 percent denied that it suffered any emotional damage because of the war. Elsevier concludes “thus there is talk of a ‘living past,’ which plays an active role in political decision making.” [Hoedeman, 1990, p. 41] The article concludes with a quotation of a member of the political party D’66: “I fear that Germany continues to be a bigger risk than other countries.” [Hoedeman, 1990, 43]

In an attempt to achieve mutual understanding the Advisory Council for Peace and Security published a report in 1994. [AVV, 1994.] It opens with empathy for the German situation: “During the Cold War, no state in Europe has experienced the consequences of the barriers drawn through Europe as much as divided Germany.” [AVV, 1994, 1] The report advanced five recommendations aimed at improving the political-psychological climate, based on the premise that the Netherlands should develop greater understanding for the legitimate concerns of Germany about the increasing instability in eastern Europe.

This change in opinion is also reflected in Schiweck's research .[1997; Vol. I, TC46] A majority of Dutch parliamentarians were of the opinion that German policy with respect to European integration is fair and that Germany is a very important partner in the EU. Most of the MPs were apprehensive about Franco-German cooperation, but the vast majority was very positive about the economic and political relationships with Germany. In other words, recent research suggests that the Dutch political elite has changed its attitude towards Germany. Dutch MPs are satisfied with the way Germany has dealt with its bellicose past and commend Germany's political leaders for their country's achievements. A mellowing of sentiment towards Germany after 1991 has resulted in a more rational image of that country.

### **ENTREPRENEURS, PROFIT AND MORE PROFIT**

The relationship between Germany and the Netherlands is very intensive. Germany is the biggest importer of Dutch products. After France and Italy, the Netherlands is the third largest exporter to Germany. The Netherlands is, after France, the second major trade partner of Germany. Trade relations between the Netherlands and Germany are stable, Dutch enterprises are competitive with German firms, even if one takes into account German firms operating in the low-income countries in eastern Europe. Despite the good economic climate between the countries, the atmosphere is not free of clouds.

Joint ventures between German and Dutch companies have not been very successful. The main merger attempts failed—Fokker-VFW and Fokker-Dasa in aviation; Hoogovens-Hoesch in steel; and Philips-Grundig in electronics. An important factor contributing to such failures are “cultural differences.” While in agriculture, services and chemicals, the Netherlands enjoys a high profile in Germany, Dutch firms have failed to penetrate the German capital goods market. Dutch investments in east Germany mainly come from trading companies and some industrial companies. Differences between German and Dutch consumers are not sufficiently acknowledged by Dutch producers. Dutch products sometimes have an image problem (*Wassertomaten*, chemical coloring of cheese, etc.), attributable mainly to ecological consciousness in Germany.

Dutch managers emphasize Anglo-American business experience and management methods. A Dutch management consultant, Robert Ogilvie, stated that “the recognizable obsession for an Anglo-American management style arises from a series of prejudices about Germany, and these are reinforced by an apparently ineradicable postwar resentment.” [Elsevier, 2-6-1993, p. 59] Surely, there are differences in management style between Dutch and Germans,

but these are neglected by the Dutch and sometimes appreciated by Germans. These cultural differences can be thus simplified: Germans are inclined to do business first and then have a drink, while the Dutch prefer to have a drink together before business. Very specialized enterprises are better equipped to overcome differences in management culture than middle-sized and more traditional companies.

In order to acquire a better insight into the cultural aspects of international undertakings the Netherlands Center of Directors and Governors (NCD) and the Netherlands Institute of International Relations Clingendael took the initiative in organizing the inquiry “Boundless undertaking” among 5,000 members of the NCD. The aim of the survey was to examine the cultural differences that influence international business with the Netherlands’ main trade partners: Belgium, France, Germany, Great Britain, and Italy.

The results of the survey make clear that for trade, industry or services cultural aspects indeed play an important role. Dutch cultural artifacts such as the precarious connection between vicar and merchant (“preach to everyone, trade with anyone”), are commonly acknowledged. The Dutch generally speak proudly of their global orientation, frankness and tolerance. Less positively speaking, the survey suggests that the Dutch are too uncouth and blunt to be good and flexible international traders.

Most Dutch entrepreneurs favor business with the Germans in the first place, closely followed by Great Britons and Belgians. They still perceive the five other European countries as alien, the least alien is Germany, the most, Italy.

Reliability in keeping agreements scores especially high among Dutch entrepreneurs. They also favor Germans because they are economical with materials and processes, and exhibit respect for fellow workers and subordinates. Germans value the experience of the older employee as well as the quality of their products. Moreover, Germans have a good record with respect to honesty and directness in their judgement of results. Concerning the sense of responsibility imputed to entrepreneurs for a livable world, Germany has a clear lead over other nations.

Alongside this positive image of German entrepreneurs are some matters that hamper business with Germany: the Germans’ inclination to formality, strict hierarchical relations, and lack of humor. The positive attitude of the Dutch entrepreneurs about Germany is also reflected by a question we ask in the Clingendael survey discussed in the next section: if there is an emergency situation and you have to leave the country, where would you go? After Belgium, Germany is the second choice. German entrepreneurs and Germany

are on the one hand undisputedly preferred as the number one location to do business, but on the other hand also the most inconvenient country to deal with.

### **NEGATIVE CLICHES AND STEREOTYPES**

During the 1990s the Clingendael Institute and the University of Leiden carried out three empirical surveys, the first in 1993. More than 1,100 young students of secondary schools aged fifteen through nineteen completed questionnaires about the EU countries, in particular Belgium, Germany, Great Britain, France, and the Netherlands. Nearly half of the respondents perceived Germany as “warlike” and as a country which would “dominate the world.” Only two out of ten respondents perceived Germany as a peace-loving country. The majority of the respondents was of the opinion that Germans were “dominating” and “arrogant.” If anything, direct contacts with Germany substantially determined the respondents’ attitude about Germany. The respondents’ level of knowledge appeared to have little if any effect on attitudes. Not surprisingly, announcement of the results of the 1993 survey induced a shock that reverberated nationwide.

In the second survey in 1995 school-age youngsters were again queried. New questions were added about emotions with regard to Germany and attitudes toward their own country. Compared with the first poll, attitudes were considerably less negative, as were the clichés and stereotypes. Still, Germany remained the EU member state with the highest percentage of negative attitudes. Once again, the country received the lowest average sympathy score. Germans were not very popular as neighbors. Responses to questions about moving to other countries and evaluation of neighbors revealed the same preference correlations as the 1993 study. In 1995, Germany was the EU member state exhibiting the highest percentage of negative attitudes among Dutch youngsters. The major determinants were emotions evoked by Germany and the Germans, the clichés about Germany, and the stereotypes of Germans. The youngsters revealed that negative views about Germans come from their (grand)parents and friends.

A third study was conducted in 1997. As in 1993 and 1995, Germany is again the EU member state with the highest percentage of negative attitudes (38 percent). It once more received the lowest average sympathy score. Again, Germany receives lowest preference as a country in which it would be desirable to take up residence. Germans once again scored low as potential neighbors (along with the Irish, Swedes, Greeks, Portuguese, and Finns). Germany also scored high on “is warlike” in 1997 (together with France and in contrast to England, Belgium and Holland). Only three clichés showed significant change.

While in 1995 Germany was thought to be “democratic” by 72 percent, in 1997 this view is held by 62 percent (a 10 percent loss). In 1995, 18 percent of the respondents believed that big differences between poor and rich exist in Germany, while two years later the figure is 27 percent (9 percent more). In addition, the percentage of respondents that believes that Germany takes few refugees has increased by 9 percent. Stereotypes of Germans in 1997 are almost the same as in 1995. Again Germans scored highest for being “dominant” and “arrogance,” and lowest on “sociability,” “friendliness,” and “easy to get along with,” in contrast to the English, French, Belgians, and Dutch. The same is true for emotions which Germany evokes. At the same time, responses about the frequency of stays in Germany hardly differ. On the whole, attitudes, images and emotions regarding Germany have hardly changed. The improvement registered in 1995 over 1993 continued, though only incrementally. Overall, images of Germany and Great Britain have been improving slightly, while those pertaining to France and Belgium are worsening.

How can we now explain the resemblances of the findings of the three surveys (1993, 1995 and 1997) with relation to Germany? Multi variate analysis demonstrates that emotion affects attitude the most. Political emotions are often experienced for the first time at a young age and are generally enduring. They are evoked by rituals and are connected with symbols. With this in mind, one interpretation of the data could be that the three groups of respondents in 1993, 1995 and 1997 were influenced by recent commemorations of the Second World War and other emotional experiences with respect to Germany. This may result in sublimated emotions.

Next to emotions, clichés and stereotypes also influence attitude. Negative images lead to negative attitudes. Images about country and population are mostly based on two sources: (1) news broadcasts via the mass-media, as well as education, and parental socialization, and (2) actual experiences through direct contact. Though we did not make a study of the mass-media in the Netherlands we suppose that the news about Germany had not changed significantly. In general, news and information about Germany are positive, but quite often they are presented with a negative tone. Statements about the good relationship between heads of government are of a positive nature. On the other hand, the Parliamentary Undersecretary of Education, Culture and Sciences, Mrs. Tineke Netelenbos revealed in 1997 that: “incorrect images are disseminated among students.” For example, in history textbooks most of the chapters devoted to Germany deal with National Socialism and the Second World War. Little recent history or the evolution of a democratic Germany is covered. The most frequently used illustrations are also related to the war. This

continuing negative public depiction of Germany in Holland could be the chief for the striking persistence of negative images of Germany.

Images of Germany also derive from personal experiences and direct contact. Some statistics about the presence and signs of such experience do exist, and there is a striking similarity between data collected in 1995 and 1997 on this point. Almost half the respondents had good experiences (1995: 47 percent, 1997: 46 percent). Approximately one third report good and bad experiences (respectively 36 percent and 33 percent). Bad experiences only were reported by a very small minority (both years 5 percent). The similarity of positive or negative experiences in Germany among respondents in 1995 and 1997 could help to explain the similarity of images of Germany.

## EPILOGUE

The emotional feelings regarding Germany and Germans revealed by these studies are defined by the Second World War. The annual commemorations of World War II, the way history lessons deal with Germany and the continual, casually negative remarks by adults reproduce the negative emotions about Germany and Germans, particularly among the young.

Beliefs can be linked to important effects, but their importance depends on the circumstances in which they occur. In the case of beliefs in the Netherlands about Germany and Germans they are very much defined by the quality of the structures in which they arise. Therefore, they are relatively harmless if the European Union continues to provide stability and peace in Europe. Had these beliefs not been so strongly fixed at the emotional level of our respondents—the expression of a living past—the very positive Dutch reaction to European integration could be viewed as excessive. In the absence of an overarching structure that can moderate state behavior, negative beliefs among the population will reinforce conflict and exculpate the political elite of its desire for war. Beliefs as such are not the trigger of armed conflict, but they play an essential role in involving the whole population. Thus structures are required which rule out hostilities between states and thereby moderate the intensity of negative beliefs and emotions. Still, “Euro-skepticism” must be acknowledged as part of a much broader and intricate process related to a development at the level of global superstructures, the nation-state and society. Beliefs about a foreign country do have relevance in that they underlie the attitudes that influence behavioral intentions and behavior itself. Cooperation and integration are the best preconditions for making such human phenomena harmless and in the end meaningless; in other words, national clichés and stereotypes would become irrelevant.

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## GERMANY AND EUROPE'S FOREIGN AND SECURITY POLICY: EMBRACING THE "BRITISH" VISION

Anne-Marie Le Gloanec

Between the first blueprint of a reformed European Union, put forth in Germany in September 1994, and the Amsterdam summit of June 1997, Germany seems to have turned from a champion of federalism into an advocate of inter-governmentalism, from a *Musterknabe* of Europe to a convert to British policies. In this respect, Amsterdam—the summit, the treaty and the whole negotiating process leading to them—may turn out to be a milestone along the way to a new Europe. In this Europe, Germany will be somewhat more powerful in a less integrated setting. This outcome is the result of missed opportunities, the product of negotiations during which Germany learned to define its interests in reaction to hesitant partners and contradictory needs.

The Germans were the first to produce a well thought-through analysis of reforms deemed necessary to further European integration before the inclusion of the new eastern democracies. The Schäuble-Lamers paper of September 1994 proposed a quasi-federal state, framed by a quasi-constitutional document, with organs fulfilling functions similar to those performed in democratic countries by parliament and government. It further advocated formation of a hard core of countries, around France and Germany, pursuing common policies in a number of areas, such as monetary, fiscal and budgetary, economic and social affairs. Last but not least, it called for a common foreign and security policy and a common defense capability “to endow the EU with an identity of its own.”<sup>1</sup>

Though this blueprint was not endorsed by the government, it reflected the views of high-ranking officials. Germany's position was radical, in the sense that it advocated some kind of federalism, with the strengthening of both Commission and Parliament—the latter in particular was supposed to be endowed with new powers—and the introduction of qualified majority voting (QMV) in inter-governmental matters, such as Common Foreign and Security Policy (CFSP).<sup>2</sup> This would have amounted to embracing the project of political union that had been left aside during the Maastricht negotiations.

In Turin and at the beginning of the Intergovernmental Conference (IGC) negotiations, German officials continued to advocate the introduction of QMV in the second pillar. Wolfgang Schäuble even went as far as asking for the communitarization of defense (he spoke of defense as a “*Gemeinschaftsaufgabe*”).<sup>3</sup> German negotiators supported the merger of WEU into the EU throughout—though German Defense Minister Volker Rühle clearly indicated that QMV should not extend to defense, even as he proposed

greater involvement of the Commission in CSFP.<sup>4</sup> By the beginning of 1996, it had become obvious that the German government had scaled down its ambitions: QMV gave way to “constructive abstention.” Germany also objected to the French proposal for someone in charge of CFSP whose task it would have been to articulate the EU’s Common Foreign and Security Policy. Chancellor Kohl did not turn out to be the champion of European unity he was deemed in the first half of the nineties. In the run-up to the Amsterdam summit he surprised everyone by vetoing the extension of QMV even in such areas as industrial or social policy (in the first pillar) and in matters relating to visa and asylum policies (pillar 3).

### **POLITICAL UNION OR CONCERT? DEFENSE OR DEMOCRACY?**

The aspirations and negotiating positions of its European partners partly account for Germany’s diminished ambitions. Between fall 1994 when the Schäuble-Lamers paper was published and the inception of the IGC in Turin in March 1996, it became clear that none of Germany’s partners shared its desire to revamp the EU radically, think in terms of political union, or communitarize CFSP. The Schäuble-Lamers core-Europe concept stirred up huge controversy in Italy and elsewhere. Whatever blunder the authors of the paper may have committed by explicitly excluding Italy from the scheme, it did not appeal much to the French or British, among others, for two related reasons.

First, the Schäuble-Lamers paper had the look of a tight, federal union, both in design and content. It suggested that a small number of countries could act as an engine of integration, in a system endowed with reinvigorated institutions and a constitution, and that this reformed entity would be in a position to defend itself. France, Germany’s usual partner in promoting European integration, strongly objected to such views, showing traditionally strong preferences for inter-governmental rather than supra-national procedures, advocating, for instance, greater involvement of **national** parliaments, stressing the role of the European Council rather than the Commission, and as far as CFSP was concerned, showing no interest in the introduction of QMV while advocating the idea of a CFSP with someone in charge.

Germany and France eventually compromised. In March 1996, they aired the idea of “constructive abstention” for CFSP, implying that those that did not want to become involved in an operation should not prevent other states from doing so. This amounted to watering down the German aim of introducing QMV to CFSP. Moreover, and more crucially, this choice also concentrated attention on CFSP and defense while institutional reforms, involving an

increase in powers of the European Parliament or a beefing up of the European Commission, were largely ignored. In other words, it became obvious already then that very little would remain of Germany's original political union concept. In this respect, CFSP might well have been a makeshift. Both French and Germans also pushed for the inclusion in the Amsterdam Treaty—though not in the provisions relating to CFSP—of “enhanced cooperation,” allowing states wishing to pursue a scheme of cooperation with some EU member states to rely upon Union institutions, procedures and mechanisms under certain, strict conditions, without the interference of non-participants.

It would be shortsighted to interpret France's insistence on CFSP and defense as a mere trick to escape from political union. The French and Germans may have been motivated by altogether different understandings of political union and politics. For French elites, defense is a crucial means of asserting one's presence in the world, be it France's or Europe's. Defense also possesses a unique quality in fostering political cohesion. The reform of the French army which should increase its force projection capabilities in the coming years, and France's rapprochement with NATO were both supposed to bolster France's claim within the IGC framework, to shape a European defense identity, gradually to bring WEU and the EU together and eventually to forge some kind of European defense.

Such ideas were by no means alien to the Germans. At the *Wehrkunde* seminar in February 1996, Chancellor Kohl forcefully advocated requiring political and financial support from member states that refrained from actions undertaken by CFSP majorities. He went on to advocate inclusion of a clause similar to Article 5 of both North Atlantic Treaty and WEU Charters in the revised Treaty on the European Union. In any case, German officials consistently pleaded in favor of merging WEU with the European Union. France's gradual rapprochement with NATO and the prospect raised in December 1994 of its rejoining all military committees and commissions, convinced the German government and the defense ministry in particular that there finally had been a meeting of minds.

But this promising state of affairs turned out to be a mirage. The French decision of February 1995 to abolish conscription strained the relationship, while the Franco-German squabble over the transference of Cincsouth to Europeans arrested any further rapprochement with NATO. Although both Germany and France view the United States as their prime provider of security, emphases differed greatly.

While German Defense Minister R  he has always advocated a European pillar **within** NATO, French officials insisted on a European capacity to act **alongside of** NATO. Because the French have realized that no country is ready

to invest in capabilities parallel to those of NATO, they agreed to have WEU borrow assets from NATO, while insisting that Europe should retain some margin of manoeuvre, for instance through the command of Cincsouth. The Germans never seemed to espouse this view—even though at one point they supported this specific demand—advocating instead that WEU draw on NATO assets. Still, they supported absorption of WEU by the EU. This only makes sense as an element implied by the concept of political union. And it was no coincidence that Chancellor Kohl, the most European of all Germans, advocated the inclusion of the equivalent of an Article 5 in the revised EU Treaty.

Thus while the French may have explicitly or implicitly looked upon CFSP as a makeshift for political union, the Germans may have considered it as a by-product of political union, the latter being the real prize, the ultimate aim of the whole exercise.

As far as defense was concerned, the French and German versions of Europe diverged: while the French were willing to play a world role in Europe's name, the Germans refrained from it. Conversely, Franco-British collaboration ensued as soldiers from both countries found themselves side by side in the former Yugoslavia, though for different reasons. For their part, the British successfully resisted as best they could a merger of WEU and EU.

As to political union, the French and the British obviously understood what the German government was aiming at: a closer integration, a greater degree of federalism, tighter institutions and more rigorous procedures, a greater involvement of the European Parliament and more transparency and democracy on the whole. France and Great Britain no less clearly sought to preserve intergovernmentalism. Edouard Balladur published an article in the French daily *Le Monde*, clearly rejecting federalism, timed to coincide with his visit to Bonn.<sup>5</sup> In this respect, Britain and France were closer to one another than they were to Germany, in spite of the fact that Germany and France were both looking for a way to endow Europe with greater clout and consistency, a purpose that was alien to the United Kingdom. Great Britain alone wanted to leave Europe as it was or to have less of it. France alone sought to create an inter-governmental yet mightier Europe while Germany alone wanted a more federal Europe.

### **A LOOSER CONFIGURATION: RETREAT FROM THE FRANCO-GERMAN ALLIANCE**

And, while the German blueprint evoked the prospect of a quasi-federal union, it also raised the specter of a too powerful Germany looming over the

Union. France produced several versions of a future European order which did not entirely match the German proposal. When the paper came out, Prime Minister Balladur quickly underlined the fact that the hard core envisaged by the two German representatives might well vary according to areas and that Great Britain should play a decisive role, as it actually did, in military undertakings.

Balladur's version of concentric circles seemed at times to waver between two models, a British and a German one, quite unlike in makeup and purpose. The British version, decidedly opposed to the hard core vision of Lamers and Schäuble,<sup>6</sup> amounted to a policy à la carte, with countries free to cooperate with any partner on any project, along the lines defined in Prime Minister John Major's September 1994 speech in Leyden. The German version of concentric circles spelled out the merits of a hard core, involving several countries wishing to deepen integration while broader circles might encompass those which were unwilling or unable to immediately join this core. Balladur seemed to have been tempted initially by the first version before leaning towards the second, albeit excluding the notion of an immutable hard core. His successor, Alain Juppé, spelled out a vision of multiple Europes **around** the Franco-German core.<sup>7</sup> In the pre-presidential election fervor of the late winter and spring 1995, similar proposals were made, for instance, by Jacques Chirac, who advocated going further with those countries willing and able to do so, short of creating new institutions—which shows how closely related these two issues of federalism and German power really are.<sup>8</sup>

During these crucial years the allure of greater Franco-British collaboration was never far from the surface of both Prime Minister Balladur's and later President Chirac's episodic embrace of a hard-core version of the concentric circles concept. Animating the Balladur government was the desire to draw closer to Great Britain, while simultaneously recasting Franco-German relations through revision of the 1963 Elysée Treaty. The prevailing mood implied that new foundations were needed, because Franco-German relations were unsatisfactory and the Treaty inadequate. Though Balladur's successor, Alain Juppé, envisaged a version of shifting configurations around a Franco-German core, President Chirac preferred the role of intermediary between Germany and the United Kingdom, and persistently called for a strengthening of Franco-British ties.

Many hoped to establish a counterpoise to Germany. For French elites this meant abandoning apriori collaboration with the Germans in all areas. Instead, they wanted to be able to switch partners according to issues; the war in former Yugoslavia, where the French and the British served side by side, is an important case in point. Yet, French and German officials negotiated a common

approach to necessary EU reforms, hammering out proposals and striking compromises presented to other European partners: constructive abstention, reinforced cooperation, a rapprochement between WEU and EU were the result. However, in spite of a willingness of both partners to go on working together, little could be achieved because of differences over content. Some of the meetings ended up in bitterness, hardly able to paper over differences and discontent. It seemed on the whole that the French did not entirely believe in the value of the Franco-German relation, as if they thought that a half-way house existed between Bonn and London, a solution situated between German federalism and British abstention, an **equivalent** to the French version of Europe.

### **TROMPE D'ŒIL: THE ASSERTION OF GERMAN INTERESTS**

While the German government began the round of negotiations heralding a quasi-federal Union, it could not hide its own ambivalence. Federalism was championed by a few prominent politicians; it was not a well-wrought policy. Though important to Chancellor Kohl, a quasi-federal Europe did not necessarily answer the needs and aims of other German actors. Negotiating positions had to be defined through compromises between the chancellor, various ministries and even the *Länder* when their rights were at stake. Interests and objectives were also revealed and shaped by the positions of other countries. Beyond principles, policies were defined by the interaction between a number of domestic and foreign actors. In particular, both foreign and defense ministries shied away from the chancellor's guidelines and objected to French propositions.

Thus both ministries resisted or rejected proposals amounting to France's leadership in Europe. Rühle particularly resented the French army reform announced by the French president on February 22, 1996, in all its aspects, form, content, and intent. Bonn may or may not have been kept informed about the final content of the decision, i.e. the abolition of conscription, yet what is certain is that the French president seemed to ignore all of its implications for Germany, including the closure of army bases and the rescinding of armament programs. Abolition of conscription opened up a debate unwelcomed by the German government, which had just managed a reform of the *Bundeswehr*, involving the absorption of some elements of the former NVA (National People's Army of the GDR) and the creation of rapid reaction forces. The debate was ill-timed, as integration of young east Germans in the *Bundeswehr*

was as desirable as a means of anchoring them in a democracy as it was difficult to achieve, because of extreme right elements among them.

Last but not least, the German defense minister may well have understood the French president's speech as an explicit attempt to place the French army and France itself second only to the United States. In his television interview on February 22, Chirac emphasized that French forces should be on a par "with the best in the world, notably the British army" and in a speech delivered to senior military officers, he added that "France must be capable of being at the head of a coalition with the command structure to control it."<sup>9</sup> A leaner, meaner French army should allow Paris to project its power and to participate simultaneously in two different kinds of operations. Closer ties to NATO should allow France to influence the reform of the organization and obtain a greater role for Europe and for itself. R  he voiced concern about the potential transformation of the Eurocorps into an expeditionary force, suggesting that Europe would be deserted by troops sent overseas. European defense would devolve to the German army, which is organized primarily with the territorial defense of NATO countries in mind. All this pointed to the *Bundeswehr* being overtaken by a more efficient French army and by a France more adept at influencing NATO policies. Now that the debate on the relevance or obsolescence of a conscript army is under way in Germany, some experts have come to believe that this danger has already materialized.

Though these developments took place outside the Intergovernmental Conference, they may have influenced it directly or indirectly. Within the WEU in particular, German officials opposed the French suggestion to have a "pilot nation" take the lead in WEU operations. Deprived of a general staff, Germany might not have had an opportunity to head such an undertaking, but risked being drawn into one by the French. Foreign Minister Klaus Kinkel's reaction to the CFSP leader idea was in the same vein. Commentators argued that he feared for his position. Indeed, State Minister for European Affairs Werner Hoyer is said to have been more positively inclined. To put it a little more subtly, a CFSP leader may have run against German interests, even if the position had not been filled by a French person, because he or she may have followed French ambitions and designs.

German officials resorted to a general pattern of opposing French designs with the help of the smaller member states. Examples abound: Thus when the principle of enhanced cooperation was hammered out, Germans and French offered two different designs, involving different numbers of participants, and actually revealing different conceptions as to principles, ambitions and strategies. While French officials argued that enhanced cooperation could be launched and achieved by a very small number of participants, the Germans

insisted on having as many participants as possible—and the Amsterdam Treaty actually adopts this latter view.

Or, to provide another example, after the French government repeatedly proposed streamlining the Commission by decreasing the number of commissioners, often with the support of Germany, Chancellor Kohl eventually quietly dropped this point. He contended that smaller countries could not be expected to give up their commissioner and suggested that the number of commissioners should only be reduced as eastern enlargement progressed. This served German diplomacy by providing a rationale for holding onto its own commissioner while allowing Chancellor Kohl to appear both as the supporter of smaller countries and as a mediator between France and the rest. In other words, Germany played by the rules of the Community game to defend national positions while France did the contrary, resorting to a solitary strategy while advocating further integration along its lines. A scathing criticism by a forceful supporter of European integration, the French MEP Jean-Louis Bourlanges, sums up this suicidal policy: “France backed itself into a corner: it wanted to embody the will for greater integration though it essentially remained a prisoner of an anti-Community culture.”<sup>10</sup>

All in all, the tight connection between Germany and France appears to be loosening. To be sure, the connection is sustained by common causes and institutions. Germany still sees this relationship as the main axis of a more integrated Europe, lest it appear as the sole driver. Regarding institutions, officials and civil servants in both countries have grown to know each other and to work with one another without intermediaries. Nonetheless, other important relations are being established with other countries, such as the Netherlands, Great Britain and Poland. Great Britain in particular plays an important role in this looser and more flexible configuration as Tony Blair’s government desires to play a more constructive role in shaping European developments. Beyond former impediments inherited from a distant or recent past, Germany has also developed remarkably positive relations with Poland, a state of affairs which fails to characterize its policy vis-à-vis the Czech Republic or Italy where interests have not been firmly defined. At the beginning of this decade, German officials, Volker Rühle first and foremost, recognized Poland’s strategic importance, a country located between Germany and poorer, less stable countries. Germany sponsored Poland’s aspirations with respect to joining NATO and the EU, and helped that country control the flow of immigrants etc., all policies which were perceived as self-serving.

In this looser configuration a number of countries are much less interested than France in having the EU play a political and military role in the world, relying instead on American intervention and influence. In other words, CFSP

may not be a primary concern for most countries and Europe may, on the whole, evolve more in line with British rather than French (let alone German) aspirations. Though neither the federalist (German) vision nor the French Europe made up of sovereign states, yet strong and coherent, has been driven entirely from the field; a British Europe, loose and less integrated, looms large after the Amsterdam summit. Ironically, this British Europe will benefit Germany most as Bonn is adapting well to the new rules of the game. After all, at a conference that elicited much comment, Hans von Ploetz, secretary of state in the foreign ministry, asserted that the Germans now have something British about them.<sup>11</sup>

## ENDNOTES

- <sup>1</sup>. CDU-CSU Fraktion des Deutschen Bundestages: *Reflections on European Policy*, Bonn: September 1, 1994. Wolfgang Schäuble is leader of the CDU-CSU *Bundestag* group; Karl Lamers is the group's principal spokesman on foreign policy.
- <sup>2</sup>. See e.g. Klaus Kinkel's two-page-statement on February 21, 1995
- <sup>3</sup>. "Vorstand der Unionsfraktion für Mehrheitsprinzip in der EU," *Frankfurter Allgemeine Zeitung*, June 14, 1995
- <sup>4</sup>. "Germans outline plans to draw EU nations closer on defence," *The Financial Times*, June 8, 1995. Rühle also made a distinction between the requirement of unanimity and the right of veto, "implying that, at least for a transitional stage, the former might be dropped and the latter retained."
- <sup>5</sup>. *Le Monde*, November 30, 1994.
- <sup>6</sup>. Of which Douglas Hurd, the British foreign minister, said in a speech held in Paris on January 12, 1995: "We do not like, any more than France does, the concept of a hard core of nations which by exclusive decisions place themselves in a different category from their partners," "Hurd sees Anglo-French views on EU converging," *The Financial Times*, January 13, 1995.
- <sup>7</sup>. Cf. "Alain Juppé défend l'idée d'une Union européenne à 'deux niveaux,'" *Le Monde* March 14, 1996.
- <sup>8</sup>. See e.g. "M. Chirac propose une politique étrangère à forte tonalité européenne," *Le Monde*, March 17, 1995.
- <sup>9</sup>. Quoted by David Buchan in "A 21st century army: Chirac's plans for reforming the French military will not be universally welcomed," *The Financial Times*, February 26, 1996. For more details on this point, see Anne-Marie Le Gloannec: "Europe by other means?" *International Affairs*, Volume 73, Number 1, January 1997, pp. 83-98.
- <sup>10</sup>. Jean-Louis Bourlanges: "Les trois erreurs d'Amsterdam," *Libération*, August 2-3, 1997
- <sup>11</sup>. Peter Hort: "Die deutsche Europa-Politik wird 'britischer'," *Frankfurter Allgemeine Zeitung*, October 30, 1997; Lionel Barber: "Search for one voice," *The Financial Times*, October 30, 1997; Arnaud Leparmentier: "L'Allemagne agacée par la France," *Le Monde*, November 1, 1997.

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## GERMANY AND EMU

William E. Paterson

The achievement of German unity in October 1990 was welcomed by all of her neighbors but Germany's size and the shadows of the German past left vestigial anxieties. In order to deal with these anxieties, but also with a view to pushing forward the pre-existing goal of European integration, Chancellor Kohl proposed a policy of anchoring the new Germany in an ever deeper Europe. In doing so he was simply continuing to respond to the core aspirations of postwar Germans which I have described as "to eat well (prosperity), to sleep well (security), and never, never to be alone (identity)." This policy was reflected in a commitment to Economic and Monetary Union (EMU) and Political Union. Chancellor Kohl was almost wholly successful in securing the adoption of EMU at Maastricht. Progress towards political union, which had been proclaimed as enjoying the same priority as EMU, was much less impressive, but the Kohl government still entertained hopes post-Maastricht that political union could be strengthened at the succeeding Intergovernmental Conference (IGC) referred to in the Maastricht Treaty. EMU was thought to have been settled in 1992. This view was reinforced by fiscal austerity and falling inflation rates in prospective EMU members. German anxieties were also calmed by the consensus view that EMU would be restricted to a narrow group of member states which met the Maastricht criteria (Belgium was the permitted exception). There was some residual anxiety about France, but generally the debate was muted.

Since 1996, the debate has been much more difficult to handle for two reasons: First, the progress in reducing deficits has extended more rapidly than expected in Spain, Portugal and Italy. Instead of welcoming such progress, the reaction of most of the German political establishment has been one of alarm, since the peseta, escudo and above all the lira are seen as weak currencies whose presence will weaken the euro. Second, the German government's own deficit has proved very reluctant to fall as a result of increasing unemployment; meanwhile, the government's ability to tackle its deficit has been hamstrung, partly by the power of the Opposition to block some measures through its control of the upper house, but more by differences within the coalition, in particular the refusal of the minority partner, the Free Democratic Party (FDP), to accept any tax increases to supplement efforts to cut welfare spending. The result has been a spectacle of a German government trying to set an example of fiscal prudence to its Latin partners, but in fact doing precisely the contrary. While Italy was striving to bring a deficit of 6.9 percent of GDP in 1996 down to 3 percent in 1997, Germany proved incapable of bringing one of 3.8 percent

in 1996 to 3.0 percent in 1997. Until May 1997, however, Germany could claim that it was not resorting to the financial juggling that Italy and other countries have attempted. This fiscal and moral high ground was sacrificed by the Finance Minister, Theo Waigel, in mid-May 1997, when he attempted to force through a revaluation of the *Bundesbank* gold reserves as a way of improving the 1997 accounts. Eventually, on June 3, he was forced into a humiliating retreat, agreeing to what was presented as a compromise, by which the reserves have been revalued in preparation for EMU in 1998, but with no effect on the 1997 accounts. Although the government's defeat has restored the reputation of Germany for financial responsibility, it did not fully restore the reputation of a government which gave way involuntarily. More recent figures on the German export recovery and budget cuts which were expected to result in its meeting the 3.0 percent target have to some extent restored the government's reputation.

The real question which is debated in Germany is not between EMU or no EMU, but rather whether it can be introduced in a manner which establishes the new euro as a "hard currency." The concept of a hard currency should not be interpreted primarily in terms of exchange rates. The weakening of the Deutschmark against the dollar, which has recently taken place, is broadly welcomed in Germany as long as it does not go much further. Rather, a hard currency is one which is subject to low inflation and, above all, one in which savings are secure. It is the memory of the loss of savings in the hyper-inflation on 1923 which underlies much of the debate and in particular the obsession with fiscal debt and deficits. A government whose fiscal position became unsustainable would be faced with a choice of either directly reneging on its debt or reneging by subterfuge through printing money. Either method would affect savings. While in theory the 1992 Treaty on European Union (the Maastricht Treaty) states that member state governments are responsible for their own debts and that they will not be helped by other governments or the European Central Bank (ECB), there are nevertheless fears that within a single currency area such a clear division of responsibility will, in practice, not prove possible. It is these factors that explain the thinking behind the Stability pact, the necessity for the ECB to be based in Frankfurt, and for the institutional formula to be modelled on the *Bundesbank*.

### EMU VIEWS

The business community remains broadly in favour of the single currency and appears likely to accept a broader EMU, if it is the price of avoiding a delay in the timetable and if it avoids competition from EU countries with weaker currencies as a result of exclusion. The large banks have been particularly vocal

supporters. Small businesses have been much less enthusiastic. Academic as distinct from business economists have in general been less enthusiastic. Disquiet among the academic economists has grown rather than subsided as the decision on EMU approaches. A letter, signed by 155 German economists organised by Manfred Neumann, Professor of Economics at the University of Bonn and chairman of the *Sachverständigenrat*, appeared in the *Financial Times* and the *Frankfurter Allgemeine Zeitung* on February 9, 1998. The letter expressed concern about the consolidation of public budgets, especially in the large member states of Italy, France and Germany. The economists were especially alarmed by the rise in the average debt ratio of member states—up 15 percent since 1991—even though lower public debt levels are of critical importance to single currency membership. Their suggestion, in view of these developments, was an orderly postponement, but if that did not happen, then the convergence criteria should be strictly applied. The letter was quickly rebuffed by Chancellor Kohl.

### GOVERNMENT PARTIES

While the governing coalition's three parties—the CDU, the FDP and the CDU's Bavarian sister party, the Christian Social Union (CSU)—are publicly agreed in support of the government's stance, there is a serious and well-published difference of opinion between Bonn and Munich. The CSU Minister President of Bavaria, Edmund Stoiber, has argued that if the strict criteria cannot be met, EMU should be postponed. He has also threatened to cast Bavaria's vote against EMU in the *Bundesrat*, although this is unlikely in an election year, and to invoke the Federal Constitutional Court if Germany were to join in defiance of a strict interpretation of the criteria. The impulse behind this posture lies in the politics of Bavaria, in particular:

- 1) The long-standing personal rivalry between Stoiber and fellow Bavarian, Finance Minister Theo Waigel. The two vie for the position of Chairman of the CSU, which Waigel currently holds.
- 2) The *Land* election in Bavaria, due in September, just before the next parliamentary elections, in which Stoiber will be defending an absolute CSU majority.

If Stoiber is reelected, his stance may soften. Nevertheless, he retains considerable potential for putting pressure on Bonn, though Waigel's success in meeting the three percent target has closed the government's most open flank.

## **OPPOSITION PARTIES**

Differences of opinion within the main opposition party, the Social Democratic Party (SPD), are more openly advertised than those within the government parties. Of the two main contenders to become SPD candidate for chancellor in the 1998 elections, the Minister President of Lower Saxony, Gerhard Schröder, advocates delay of EMU in preference to subordinating the domestic budgetary process to the imperatives of the Maastricht criteria. Schröder is currently the most popular politician in Germany, but not necessarily owing to his stance on EMU, where his membership of the VW board and his associated support for a wider EMU collides with a popular preference for a narrow EMU and a hard euro. Oskar Lafontaine is now committed to EMU, and severe reverses suffered by the SPD most recently in Hamburg in September 1997, when it campaigned on an anti-EMU platform will probably ensure that the policy of support for EMU is adhered to.

## **THE BUNDESVERFASSUNGSGERICHT**

The Federal Constitutional Court (FCC) was always certain to be asked to adjudicate on Germany's membership of EMU. Even if Bavaria does not pursue its threatened action, there were other plaintiffs eager to take its place. While the revised Article 88 of the Basic Law permits the transfer of the *Bundesbank's* functions to a European Central Bank, conditions may be attached. The FCC can argue that the Basic Law contains an implied guarantee of price stability and that a single currency softer than the requirement to maintain currency stability, contained in the German law on adherence to the Maastricht Treaty, has been observed and Paul Kirchhof, the Rapporteur on European issues, has said that they will be guided only by numbers, i.e., the criteria will be strictly interpreted.

The FCC will, from this perspective, also have to judge the impact of other EMU aspirants on the single currency. Thus, Bonn will need to anticipate the risk of FCC rejection when negotiating the eligibility of other EU members for participation in EMU. However, the FCC would be hard put effectively to overturn a vote by the *Bundestag* in favour of German membership in EMU. Therefore, the FCC will be a powerful force pushing the government toward a strict interpretation of the EMU criteria, but the chances of it sabotaging German membership are low. Nevertheless, the uncertainty that the FCC's deliberations engender could well cause some currency instability.

On January 12, 1998, four Professors: Joachim Starbatty, Wilhelm Hankel, Wilhelm Nölling, and Karl-Albrecht Schachtschneider, lodged a 300-page complaint with the Federal Constitutional Court. Their complaint was based on the argument that the introduction of the euro would compromise what they referred to as “the civil right to stability,” a right they claim that is conferred on the German citizen by the Basic Law. This infringement of the civil right to stability is premised on the rather adventurous, not to say premature, reasoning that Germany will enter even though the convergence criteria have not been met. All this before the figures for 1997 were available. At present, the FCC has not ruled on its admissibility and it would be unlikely, even if it accepted the complaint’s admissibility, to begin work until after the decision had been taken in May. Nevertheless, the complaint is potentially serious as a crystallising point for wider doubts.

### **THE *BUNDESBANK***

The *Bundesbank*’s powers in this area are restricted to control of monetary policy. However, the bank possesses enormous moral authority and is one of the most highly respected public institutions in the country. Its opinions thus carry great weight, even when they are not enforceable. This factor is not invariably effective; in 1990 the government pushed through the conversion of east German marks to DMs at parity against the known wishes of the Bank. More recently, the Bank has prevailed in resisting Waigel’s attempt to revalue the bank’s gold and foreign currency reserves in an effort to meet the EMU criteria this year. Thus, although the fixing of the rate at which the DM joins EMU is exclusively the responsibility of the government, the bank’s support is essential for the political success of the operation and for public acceptance of the single currency. A key element here will be the report it is scheduled to produce on EMU. Reimut Jochimsen, the President of the *Landesbank* in North Rhine Westphalia and a sceptic on EMU has claimed that the report will include detailed examination of the efforts of other member states to meet the criteria. This is a potential minefield and the federal government will attempt to persuade the *Bundesbank* to go easy in this area.

### **PUBLIC OPINION**

There has been considerable public opposition in Germany to the idea of giving up the Deutschmark for more than two decades but it had begun to soften in the autumn of 1997. But the Constitutional Court complaint and the pessimistic climate engendered by the record unemployment figures have

ensured that the softening of public opinion on the euro, which occurred in the autumn of 1997, has hardened again. In a major survey carried out by Psephos for *Handelsblatt* and published on February 13, 58 percent of respondents declared themselves against the introduction of the euro, while 30 percent were in favour. 40 percent expected EMU to start on time, while 52 percent reckoned with a delay. The federal government can take comfort, however, from the fact that only 8 percent would make opposition to the euro a reason for voting for a political party.

### FEDERAL ELECTIONS

In contrast with some other EU member states, there will be no referendum in Germany on EMU membership. Moreover, the 1998 parliamentary election is scheduled to fall between any government decision on the date and terms of membership, and EMU's launch in 1999. The opposition leaders' freedom of manoeuvre will be constrained by the fact that effective discussions will have been taken before the campaign and will be difficult to reverse.

Kohl's early announcement in March 1997 that he would be a contender for reelection was intended to strengthen his hand and to identify himself still further with the EMU project. However, the danger to the Kohl administration stems less from EMU *per se* than from public dissatisfaction with more domestic but related issues, in particular high unemployment. Government drift in the face of record levels of joblessness and the clear need for reform is a problem. This will be compounded by enduring tension within the governing coalition. One of Kohl's strongest assets is likely to be the SPD's own leadership problems, its lack of a credible alternative agenda and the fact that the SPD leader will only be chosen in April 1998, after the Lower Saxony election on March 1, 1998.

An obvious preliminary conclusion then is that there are no domestic German political forces which can force either a delay or a cancellation of EMU at this stage. All will continue to depend on Germany's principal partner, France, having the will and the capacity to carry the project through on terms acceptable to Germany. The victory of the French Socialist Party in April 1997, opened up some tensions between the French and German governments on EMU, given the importance attached by the new French government to the question of employment.

The immediate prelude and opening phase of the IGC in Amsterdam was dominated by a Franco-German drama. In formal terms there was no link between EMU and the IGC, but a week before the conference the new socialist finance minister in France, Dominique Strauss-Kahn, announced that he would

only sign the stability pact agreed at the previous Dublin summit, which provides for strict fiscal discipline, including fines on errant member states, if a new Employment Protocol were inserted into the treaty. Given the budgetary pressures on the German government, this was a very unwelcome initiative, but, in the event, a compromise was agreed at Amsterdam, where the Employment Protocol was agreed on, but no extra money provided. A special employment summit was held on November 21 in Luxembourg.

Further tensions have arisen in relation to the nominations for the presidency of the European Central Bank. It had been announced that the post would go to Wim Duisenberg, the Dutch central banker and current president of the European Monetary Institute, the forerunner of the ECB. Duisenberg enjoys the confidence of the *Bundesbank* and could be expected to pursue a policy that would be acceptable to German financial opinion. To the intense irritation of the German government, President Chirac has nominated Jean-Claude Trichet, the French central banker. This move is very unlikely to succeed, but it might be necessary to effect a compromise whereby Duisenberg retires on age grounds halfway through his term. In German eyes this would launch the ECB under very inauspicious terms and partially undermine the independence of the ECB.

## CONCLUSION

In recent years Economic and Monetary Union has become the defining project of Chancellor Kohl. He has had no recognisable domestic vision and even in European policy the glacial progress on political union leaves EMU as Kohl's signature policy. The internal and external hurdles in relation to this policy have been extremely formidable and it is a mark of Kohl's continuing political skills that it appears so likely to start on schedule.

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**SOCIAL POLICY:  
MANAGING THE TRANSITION TO EU *ORDNUNGSPOLITIK***

Carl Lankowski

At the launch of the European Economic Community (EEC), integration was perceived as a means to support the national welfare state, and the European Community (EC) is still limited in theory to such a supportive role. Nevertheless, it has become ever more obvious that further integration implies at least continuing Europeanization of that project, in the sense of a new division of labor between member states and Brussels, if not its end as we know it. For a state such as Germany, whose legitimacy has been closely tied to economic performance, this presents a paradox stemming from an apparently intractable clash between foreign and domestic policy. German integration in European institutions is commonly acknowledged as the *sine qua non* of European stability. But integration implies a major challenge to the social market economy, just as commonly associated with the success of postwar democracy in that country. Indeed, this paradox underlies the challenges to the constitutionality of European integration brought by German citizens in 1992 against the Maastricht Treaty on European Union and in 1998 against the implementation of stage-three Economic and Monetary Union (EMU), and raises the more general question about legitimation of the exercise of power at European Union (EU) level.

More than in most other fields of public policy, the national state remains the primary referent and locus of activity. This is changing. Forces are at work that encourage the articulation of a European social space, even as member states retain their privileged position. Not surprisingly, the process of defining this space reflects national experiences, often imported implicitly into social policy discussions.

**I.**

It is useful to characterize what never appeared on the EU social policy agenda in the 1990s. Despite the call for establishing a greater link between citizens of EC member states and Brussels as long ago as 1977 (MacDougall Report), there was no discernible appetite for centralizing classical social policy functions, e.g., entitlements to social insurance, income and public goods. But this by no means implies that the EU will continue to resemble a “free trade area” in the social policy domain, in which each member state articulates its social policy system in splendid isolation from the rest. Coordination of social policy is part of a broader international trend. EU

developments condense this trend regionally. There has been an explicit EC social policy dimension since 1972. Now, an important shift in the contours of social policy is taking place at the EU level.

In general, three other paths of development seem plausible as alternatives to this rejected vision of a mega-European welfare state. One can imagine moving towards a system with far fewer entitlements, what Esping-Anderson refers to as “liberal welfare capitalism,” an “Anglo-American” pattern. A second scenario emphasizes the continued relevance of the inherited institutions and traditions of the member states. Differences in Europe’s heterogeneous social complexes are not residual, but continually reconstituted and can be expected to persist and even be enhanced in a loose system of competitive federalism. The third possibility, not ruled out by the second, proceeds from the growing prevalence of post-industrial, largely middle class and social milieus in Europe that embrace a new mixture of public goods and entitlements. Whichever way, the emerging system will be organized according to a new division of labor between national authorities on the one hand and sub- and supranational authorities on the other. Germany’s EU social policy strategy may be evaluated against these scenarios.

Since the ratification of the Single European Act (SEA), Germany’s EU social policy preferences and strategies have been worked out in response to three primary drivers of change: (1) increasing intrusiveness of EU regulatory activity in the context of deepening of economic restructuring of European and global dimensions, (2) the government’s overall integration strategy, and (3) the politics associated with ongoing transformation of the social structure.

## II.

Prior to Maastricht, Germany’s EU social policy was driven by perceived limitations of the “Europe-92” single market program. Since the ratification of the Maastricht Treaty, economic restructuring has resulted in booming balance sheets and growing unemployment. Meanwhile, competitive pressures on Germany’s tradable sector have encouraged firms to abandon or not join the trade associations that undergird the country’s territorial system of collective bargaining.

The dynamism of Chancellor Willy Brandt’s social-liberal government spilled over on the European stage when the German government made social policy a focus of the Paris summit in October 1972. Only a modest program followed, but an historical marker had been set that served as a point of reference for the next period of social policy activism. That came in response to the Single European Act, ratified in 1987, at the heart of which was the

program to realize an internal market without barriers. To the present, by far the most numerous type of EC/EU legislation in the social policy field is of a “technical” nature and is driven by the imperatives of the internal market. The two significant social policy innovations in the SEA consisted in the introduction of Articles 118 (a) and (b), which provided for qualified majority voting (QMV) in matters pertaining to protection of the worker at the point of production and the appointment of the European Commission as the Euro-level interlocutor between representatives of business and trade unions in the “social dialogue” launched informally by President Delors in 1985. German negotiators, supported by the *Bundestag*, set strict limits to QMV in social policy, both because they feared subversion of German social institutions and because they feared the financial liabilities attached to any expensive social programs at EC level. Unanimity in Council still prevailed for the core social policy areas of social security, collective and individual rights of association, labor law and labor market policy.

### **German Council Presidency, 1988**

Nonetheless, galvanized by the perception that market integration could affect national policy without compensating mechanisms at the European level, agents and institutions associated with or sympathetic to the labor movement brought their concerns to the Federal Government. The point of departure for a new period of social policy activism was the social policy declaration issued at the European Council meeting under the German Presidency in Hanover in June 1988, which announced the intention of developing the economic and social dimensions of integration in parallel, subordinating neither to the other.

The internal market program had brought home the reality of integration as “European domestic politics.” In October 1989 during the discussion leading to the promulgation of the Community Charter of the Fundamental Rights of Workers (Social Charter), a proposal to concretize the Charter’s general injunctions was developed by the German Ministry for Labor and Social Affairs in consultation with organized labor and the employers’ associations. This “nine point catalogue” addressed specific social policy areas in which legally binding Community-wide standards should be set. The Charter and the Social Action Plan in which the German initiative became embedded established the substantive EC-EU social policy agenda through the mid-1990s.

Three brief observations are in order. First, they signal the launching of an EC social policy on the basis of preexisting treaty language, even if that policy is not “common.” Second, at the strong urging of Germany it was written explicitly under the sign of subsidiarity. Finally, Great Britain declined to

associate itself with these initiatives, setting the stage for the social policy outcome of the Maastricht negotiations two years later.

### **Maastricht Treaty**

Social policy was an important dimension of the Maastricht negotiations. German authorities and employers' associations desired to maintain procedures aimed at consensus, a defensive position that reflected the continuing belief that principles of German *Ordnungspolitik* could be sacrificed to a "Latin majority" with quite different traditions. Both the German Labor Union Federation (DGB) and the European Trade Union Confederation (ETUC) were in favor of moving to a generalized version of QMV for all social policy areas. The sudden availability of QMV through the Single European Act had tempted those desiring ambitious social policy initiatives to "borrow" the decision-making procedure under Article 100a, which regulates internal market harmonization. In this situation, German negotiators championed a "super-QMV" which, if adopted, would have had the effect of providing each identifiable social policy member state subgroup with a veto over policy development. Instead of this outcome, categories of social policy were specified, with unanimity or regular QMV attached, depending on the presumed financial consequences of acting in each field and the fields' status as a defining element of member states' social system. Unanimity in Council and the consultative procedure for the Parliament were reserved for the areas of social security, job protection, representation (including co-determination) and right to strike, conditions of employment for third country nationals, and financial contributions for employment and job creation.

The negotiators at Maastricht significantly expanded the opening Article 118b provided the social partners—in practice, European trade union and employers peak organizations—in adopting agreements with EU-wide binding effect. In this way, at least an accent of Euro-"societal corporatism" was set that underlined the special status enjoyed by organized interests in Europe. Both of these developments ran up against the unalterable position taken by the British government that no changes in the social policy status quo should be undertaken at all. In the end, Her Majesty's Government permitted the other eleven member countries to place the arrangements that would have become the new EC social chapter as a protocol to the treaty instead, to which they could choose to opt in.

### **German Council Presidency, 1994**

By 1994 Europe's employment crisis was unmistakably clear. The situation was especially dramatic in Germany, due to developments in the eastern *Länder*, though unemployment was also very high in the west. Coming

shortly after the publication of the White Paper on Growth, Competitiveness, Employment (1993), the German Council Presidency focused on employment issues, an area in which the government felt the EU had only a marginal role to play. It bravely sought to push along the “green innovation” track cited in the White Paper (see below), while avoiding any dirigiste interventions. In the end, the European Council in Essen will be remembered for the defeat of the eco-tax, the further identification of priority European infrastructure projects (TENS) to be financed in part with European Investment Bank (EIB) loans, and an employment strategy based on the coordination of multi-annual plans drawn up by national governments.

The German government was able to take advantage of its turn as EU Council president—the first since 1988—to achieve a victory in its endless campaign to mandate the formation of works councils for certain categories of European firms. The European Works Council (EWC) directive was the first piece of legislation adopted under the Maastricht Social Protocol (excluding Britain), and only after the social partners failed to agree in direct bilateral negotiations under the provisions of Article 118b. Not only is the EWC directive a prime example of the strategy of minimum standards and subsidiarity in social policy, it also reflects the national-European social policy division of labor in the nascent EMU era. This legislation is a good example of the EU’s emerging regulatory presence. Though there are neither entitlements nor fiscal claims, EWCs comprise a significant breakthrough for the workforce.

It is also a poignant pendant to the partial unraveling of Germany’s collective bargaining system. In order to meet intense competitive pressures, firms located in eastern Germany left or failed to join trade associations in order to avoid wage and benefits packages worked out at the national level for a population of enterprises whose productivity is much higher on average than eastern firms. This phenomenon has also been occurring in the western part of the country, signaling a trend away from sectoral and toward firm-level bargaining. Though EU social policy explicitly eschews action in the field of collective bargaining, the works councils directive has created an initial framework within which the process of firm-level bargaining can develop. The enhanced price transparency expected to accompany the introduction of EMU should amplify these tendencies still further.

In the post-Maastricht context, the ongoing process of German unification has magnified the significance of the EU’s emerging social sphere. Government and organized labor have not been pleased with some consequences of the internal market. The functioning of the internal market is underpinned by the EU’s competition policy, which monitors and authorizes state aid to industries. In order to deal with industrial decollage and high

unemployment in the eastern *Länder*, regional officials have routinely offered investment incentives to firms. By 1996 Directorate-General IV had begun to examine this practice more critically and challenged a sizeable subsidy granted by Saxony to Volkswagen, which was made to renounce it. Other similar cases are pending.

Another fundamental internal market principle is freedom to provide services from any place to any place in the EU. Contractors have used this freedom to their advantage by forming construction teams in low wage countries for limited labor contracts in high wage countries such as Germany. With the collapse of industrial production in eastern Germany after unification, the construction sector has become a politically important source of employment. Germans are paid according to German wage scales worked out with German unions. The gap between German and non-German wage scales has allowed contractors from EU low wage countries consistently to underbid German contractors. The EU posted worker directive was long delayed due to the clear clash of interest between Germany and the low wage labor exporting countries, though German contractors were on the same side of the issue as the low wage countries. The unions and the labor ministry represented the view that the same labor should be compensated at the same level at the same site and that any other solution would involve “social dumping.” They could invoke two social policy principles against the presumption that the logic of the internal market should prevail: (1) the principle of subsidiarity, according to which social systems should be defined mainly by the member states, and (2) member states are entitled to promulgate standards higher than the EU norm. Finally, in 1996 a compromise was reached according to which minimum labor offer prices are to be set in affected industries by voluntary agreement between German firms and labor unions. This case demonstrates the loosening of local and national labor markets as the internal market evolves.

### **The Treaty of Amsterdam**

Social policy was affected in divergent directions by the election of two social democratic national governments in France and Britain in the weeks prior to the Amsterdam summit. The Blair Labour government provided an opening for liberal labor market reform. It also meant putting an end to Britain’s anomalous position outside the social protocol, which was subsequently reabsorbed in the treaty text. This outcome was greeted with enthusiasm by the German Labor and Social Affairs Ministry, one of whose central principles in mapping out EU social policy innovation had always been consensus among the member states. Meanwhile, Lionel Jospin’s French election victory guaranteed

greater attention to economic governance and was reflected in a new employment chapter that incorporated the practice begun at the Essen Council.

Germany's position in the intergovernmental conference leading to the Amsterdam Treaty is marked by a high degree of continuity. A new article provided authority to act against social exclusion, and take action to help the handicapped and elderly, but Chancellor Kohl vetoed all but the social exclusion part on grounds of cost and subsidiarity. German negotiators agreed to an employment chapter, but limited the authority to mandating and monitoring national employment strategies on the basis of Community guidelines on employment, and sharing best practices. As has been the case so frequently, the heads of state and government found an off-budget solution to the financial implications of their decisions, as a summit resolution called upon the EIB to extend infrastructure and small and medium enterprise loans, especially in the high-tech sector, and consider financing some urban renewal projects.

Overall, the picture that emerges is of steady progress in specifying the social parameters of the emerging European market after adoption of the SEA. Germany played a central role in defining the principles according to which this process would unfold—subsidiarity, consensus, minimum standards. Germany's EU social policy positions were also determined by its general approach to European integration.

### III.

Most generally, Germany's overall integration strategy throughout the period under review, but especially since the dramatic events associated with the collapse of state socialism, has aimed at irreversibly embedding German institutions into European structures. It is well known that Chancellor Kohl worked out a deal with French President Mitterrand to proceed to Economic and Monetary Union (EMU) as part of a more ambitious plan for "political union," which among other things would have significantly upgraded the European Parliament in the Brussels decision-making machinery and increased the supranationality of the Council of Ministers. There was talk of a federal Europe.

Germany's EU social policy aspirations were affected by this strategy insofar as QMV in Council was broadened to include a wider array of policy areas and the Parliament was given a greater voice in determining the outcome of EU legislation. Though appealing to the trade unions, the Ministry of Labor and Social Affairs was sensitive to the fine balance between German willingness to share power regionally and the perception of German hegemony.

Social policy institutions, after all, comprise an important referent in the daily fabric of life. In the view from Bonn, the two things appeared to be opposites. It may have been difficult for the German leadership to grasp this essential ambivalence. Mice are legitimately concerned about the prospect of an elephant docilely getting into bed with them...To have some reassurance from Germany was one thing; to risk losing one's identity in a grand project with a big neighbor was quite another. In other words, given a choice, most member states preferred that Germany continue to be a state, though one tied into regional structures, for this would also best guarantee their statehood. Against this background, it is likely that the rhetoric of federalism contributed to backlashes such as the resounding *nej!* in the Danish Maastricht ratification referendum of June 1992. A majority for Maastricht could only be found after the Danes were formally offered opt outs from EMU, EU citizenship, and the Common Foreign and Security Policy (CFSP).

Meanwhile, the German Federal Constitutional Court (BVG) rejected a challenge to the treaty based on a view of Maastricht that took the German chancellor at his word. But in rejecting the challenge, the Court not only denied that the EU had escaped from the control of its political masters, the member states, but forbade such an eventuality, until such time as the political guarantees in the German Basic Law could be met unquestionably at the EU level. The judgment had two practical effects. First, it set up the BVG as a control mechanism and therefore a player in any further integrative steps. This provided one avenue to challenge the government's integration policies. Second, it underlined the requirement for parliamentary mechanisms to monitor and control the exercise of powers already given to the EU by Maastricht. A constitutional amendment replacing Article 23 of the Basic Law was the result. Its main effect was to require the achievement of a high level of consensus among the political parties represented in the *Bundestag* and the *Länder* represented in the *Bundesrat* for any new integrative steps. In practice, this provided veto power to *Länder* minister-presidents in the chancellor's own party, including the Euro-skeptical (or at the very least EMU-skeptical) Bavarian Minister-President, Edmund Stoiber.

By way of outcome, the integrationist Kohl was stymied in any attempt to advance the political union. The remaining avenue of integration was EMU, which the government henceforth pursued single-mindedly. Although the tempo of social policy innovations was certainly affected by this state of affairs, the fundamental policy orientation was not.

A 1994 report on principles of EU *Ordnungspolitik* written by the scientific advisory board of the federal economics ministry (BMWi 1994) provides a clear picture of Germany's integration strategy in the post-Maastricht era. The

paper clearly distinguishes the German experience with unification from European integration. Germany is not an analogue of Europe. Not only is policy to be developed with greater attention to subsidiarity, but the financial constitution of the EU will not be altered and no interregional transfers of resources beyond the existing structural funds are to be entertained. Each member state is to develop and manage its own redistribution system. At least implicitly, the vision animating this document is competitive federalism. This report is of interest because it diverges from the EU strategy paper written by the chancellor's trusted European policy advisors Wolfgang Schäuble and Karl Lammer (Schäuble and Lammer 1994) at the same time as the curtain-opener for Germany's strategy in the coming intergovernmental conference. The latter advances the notion of "core Europe," a constellation of EU member states arrayed around France and Germany that would press forward with deeper policy integration, even as others joined the Union and or stayed on the sideline.

In practice, meeting the EMU convergence criteria assumed the status of leitmotif of German EU policy since the establishment of the European Monetary Institute (forerunner of the European Central Bank) in 1994 in Frankfurt am Main. Due to the travail of unification and high unemployment, state revenues were down, automatically throwing a spotlight on the fiscal convergence criteria, especially as Germany was expected to set an example for the other EMU candidates. In this context, German complaints after 1995 about Germany's contribution to the EU budget seem unexceptional, as are the German veto over taking on additional policy areas (employment, support for the elderly, health and safety measures at work, equal opportunities) in the social action program proposed for 1995-1997, or providing a treaty basis for these areas during the Amsterdam negotiations. So great was Germany's preoccupation with the budget that a large part of the country's allotment of EU structural funds destined to aid the eastern *Länder* went unused because they would have to be matched by German funds. Though understandable, these examples highlight another paradox of regional integration. Dedicated attention to the convergence criteria—a policy success even outstripping the introduction of single market legislation—has meant that the closer candidates come to EMU, the more self-referential they become with respect to their fiscal situation and their social systems.

The retreat from the more pronounced federal vision that seemed to animate the most senior officials of the German government during the Maastricht negotiations raises a major question for stage-three EMU: how much solidarity is required in a loose confederation of more or less autonomous fiscal entities (*Staatenverbund*) based on the operation of a common market? And can that solidarity be expressed in ways other than the movement of hard cash?

#### IV.

If we are entering a period in which monetary payments are becoming relatively less important politically, at least a partial answer to this question is at hand. There is reason to believe that this is the case and that Germany is also playing an important role in this dimension, even if that role has been largely fortuitous and unintentional.

With apologies to Eduard Bernstein, it is no exaggeration to portray classical social policy as the expression of a social structure defined by industrialism. In Europe that meant class boundaries that were reinforced by distinct living-working milieus. As politics became a mass phenomenon in the 1890s, social policy was defined to a considerable degree as a response to the immediate needs (not visionary aspirations) of the working class. It does not overly brutalize the history of the twentieth century to view the project of regional integration as a response to the economic nationalism of the 1930s. So, too, is it useful to see the postwar sociopolitical settlement, in particular the emergence of European “mixed” economies and welfare states not as somehow separate from integration, but as one side of the same coin (Milward et al. 1993). EU social policy today is a legacy of this history. Its vision and its structures were put in place prior to the massive transformation of the social structure and living-working milieus associated with the tertiarization of the economy.

A systematic treatment of European integration from the point of view of this major transformation in the social structure has yet to be written. Suffice it to say here that the history just mentioned justifies the presumption that the structures of the EU are somewhat “out of synch” with the social base of European society. The dominance of the service sector, at the very least in defining the occupation structure and physical landscape in Europe today, and the decline of working class milieus have fundamentally altered the referent for social policy. At the risk of oversimplification, high incomes and labor market participation rates go hand in hand with the individualization of lifestyles, disaggregation of welfare functions from large sectoral organizations, and new forms of political participation.

Thus, on the “demand side” of social policy there is greater preference for individualized treatment and individual responsibility. In this context, privatized but regulated alternatives to the social security entitlement systems, under pressure already due to the aging of the population, may reduce one major dimension of classical social policy. By the same token, relatively wealthy populations at peace desire different packages of public goods than in the past. Environmental goods are an important example of such quality of life demands associated with Europe’s new middle class. Social movement politics of the

1970s can be taken as a manifestation of the social breakthrough of these changes.

The German case is compelling in this context. Despite its industrial traditions, Germany has been home to a dense network of social movements that comprise an essential element of the celebrated transformation of German political culture. In Germany, an internationally prestigious industrial culture existed side by side with an increasingly dominant post-industrial milieu. One of the most characteristic political expressions of this situation is the rise of the Green Party (Bündnis-90/Die Grünen), which, in a short political career of eighteen years at the national level, has managed to become Germany's third political force.

Without being able to prove anything, I would like to suggest that the Federal Republic has made a unique contribution to redefining social policy and advancing its articulation in Europe's system of multi-level governance. This process is not a conscious design, but rather a byproduct of the dynamics of German politics combined with Germany's centrality in the EU. Very briefly, what is involved is a fortuitous combination of push and pull factors that have not only facilitated the introduction of a significant environmental dimension to the EU, but have suggested a new mix of social policies, the authority for which is distributed between the EU, the member states and their political and administrative subdivisions.

Once the Greens had crossed the five percent representational hurdle in 1983, the operation of Germany's multiple party system insured that their issues were taken up with much greater urgency than before by all of the other parties. From there, the issues were injected via the national government into the EC. From the vantage point of "Brussels," environmental issues allowed the Commission and Parliament to mobilize new constituencies for Europe. Moreover, the spill-overs in this policy domain were in some cases quite pronounced, so that even with increasing attention to the principle of subsidiarity, ample justification existed for policy innovation at the European level, something that could not be said for many aspects of social policy. Finally, in contrast to much social policy, environmental policy is preeminently a matter for regulation rather than distribution or redistribution. In this sense, environmental policy was a much better "fit" for the financial constitution of the EC/EU than social policy. That will continue to be the case with the advent of EMU.

The EC has had some form of environmental policy since 1972. Symptomatically, it was placed on the EC agenda at the Paris summit, championed by the Brandt social-liberal government, whose appeal beyond its traditional working class base to Germany's new middle class provided the

SPD with its best electoral showing ever. But it was not until the Single European Act that the treaty received its first environmental policy articles after the electoral breakthrough of the Greens. Maastricht raised the profile of environmental policy by generalizing its remit, a step that was repeated at Amsterdam.

By 1993, environmental policy had matured to the degree that the EU's basic developmental strategy paper, the White Paper on Growth, Competitiveness, Employment explicitly integrates social and environmental policy in its advocacy of an eco-tax to relieve pressure on social contributions of employers, thereby reducing disincentives to hire labor. This conceptual policy integration was facilitated by the realization that Europe's public is ready for a new mix of public goods. In championing this development, Germany has made an important contribution to defining a new EU policy agenda.

## V.

Europe's emerging social order is a vector of many forces, of which Germany's EU social policy initiatives is only one. Clearly, Germany has played an active, at times a central role in giving direction to social policy developments, either by offering proposals or resisting those of others. The strategy of systematically introducing minimum standards through framework directives has not given the EU a full-blown social order, but it has permitted the Europeans to recapture transnationally the collective social identity they may have discovered only relatively recently in contrast to the Anglo-American or Asian "models." Moreover, at least among the large EU member states, Germany arguably has led the way in a second kind of policy innovation: injecting environmental public goods into the European public agenda.

Of particular interest is the opportunity provided by the EU to reshuffle policymaking competences between different levels of government even as the needs of society are gradually transformed. The interaction between constituency demands, opportunities for policy innovation, and the specific characteristics of policies are creating an EU social policy landscape that—as a composite—differs from anything now existing in the member states. Broadly speaking, we are witnessing the emergence of a fiscally lean, regulatory "state" at EU level whose social basis consists by and large of an increasingly highly educated, white collar, feminine salariat residing in post-industrial milieus. Expensive social safety nets continue to belong to national governments, though of late there have been attempts by the leaders of some regional/provincial governments (e.g., Flanders, Bavaria, Baden-Württemberg, Northern Italy) to release themselves from responsibility for financing the

social entitlements of other regions in their own countries. In terms of the scenarios with which we started, this development, to repeat, obviously does not point to a mega-state in social policy. Nor is the situation moving in the direction of the Anglo-American model, let alone an Asian one. We are rather seeing a continuation of the European social welfare model that is beginning to redefine the package of public goods it offers with relatively more emphasis on “environmental” goods and relatively less on monetary transfers. Furthermore, the combination of a stingy EU and fiscally aware national states points in the direction of a new regulatory federalism with competitive elements based on policy differentiation.

All in all, Germany has played a constructive and positive role in contributing to the articulation of elements of a re-formed social sphere and managing the complicated transition to a new European system in which each level of government and each group of actors assume appropriate tasks.

This is a happy picture, assuredly too happy. Critically, it does not address the problems posed by mobility in a loose federation with a minimum of interregional fiscal transfers. The mobility problem was “solved” in the east German case after unification by enormous financial flows of the sort that will not be replicated elsewhere. Neither is potential mobility, except within states, or perhaps with the advent of EMU in border regions, so great that it could be disruptive in the absence of fiscal transfers. But what will provide sufficient spatial dispersion of fiscal capacity such that some amelioration of extreme differences in income deserving the name “social” will occur? Even a cybernetically connected population will not be able to avoid sectoral and regional marginalization. Social entitlements will continue to be required.

In the run up to stage-three EMU, Germany’s response to the diversity of social systems has been to turn it into a virtue. And this has been true across the political spectrum. But there are signs that those attracted to the vision of a “Europe of the regions” are now beginning to realize potential dangers of desolidarization if regional structural differentiation unfolds in a constitutional design in which cohesion policy gets short shrift. On the other side of the fence, advocates of EMU are beginning to realize that at a minimum some significant coordination of economic and social policy will be required to contain centrifugal forces in the coming monetary union. The challenge of policy coordination is primarily political. It will require political resources that fifteen member states—let alone additional members possessing even more highly differentiated structures—will have difficulty marshaling continuously. With this in mind, it seems likely that the politics of social policy will continue to revolve around drawing an appropriate balance between coordination and structural convergence for the foreseeable future. The prestige of Germany’s

social market economy remains strong, even under conditions of high unemployment. As a model and as a major source of interregional finance, despite the challenge of unification, Germany will not be able to avoid playing a central role in managing this balance. There is reason to hope that Germany will continue to respond as imaginatively as a reliable force for European integration as it has in the past.

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## **GERMANY AND THE EASTERN ENLARGEMENT PROBLEMATIC: A VIEW FROM WARSAW**

Janusz Reiter

German politicians often like to mention that the Federal Republic is a country which has an extraordinary number of neighbors. Many believe that this cannot be omitted while speaking about German affairs. When, on the other hand, we look at the situation of Poland, we cannot overlook another important fact: although Poland has the same borders as it did ten years ago, it has very different neighbors. None of the states which Poland bordered on in 1989 exists: there is no Soviet Union, no Czechoslovakia, nor the German Democratic Republic.

According to theories fashionable among western political scientists in 1989, central Europe was to become a region where nationalist revivals were expected to produce serious conflict, feeding off border and national minority issues. Communism was thought to function as a deep freeze for old national antagonisms and historical animosities. These were thought to be the plight of central and eastern Europe. Then the freezer was turned off, or rather it broke down, and everything that was inside had to defrost. Central and eastern Europe were to return to history at a stage where it stopped some decades ago.

It would be pointless to deny this theory entirely, especially with respect to former Yugoslavia. Nevertheless, it is worth noting that there are places in our region of Europe where the theory proved to be of no use. Poland is a case in point. Poland's relations with its neighbors are good, to say the least. Its borders have been recognized and the problems of national minorities have been addressed.

What is more surprising, of all the countries in the region, Germany is the one with which Poland enjoys its friendliest and most intensive relations. This development is all the more remarkable if contrasted with Chancellor Kohl's recent euphemistic admission that if he had been asked in 1989 to name a central-eastern European state with which Germany would have the best relations, he would not have mentioned Poland.

How can this unexpected success be explained? How long can this change in the situation last? First, Poland and Germany are conjoined by what we often call a community of values. What is meant by that is a set of conceptualizations regarding the fundamentals of a democratic state and society as well as the desired shape of relations between the nations of Europe. This community has specific practical consequences. Thanks to it we know that when two countries sign an agreement on mutual relations, they do not only refer to the same concept, but they also have the same concept in mind. Second, Poles and

Germans have an affirmative, rather than a revisionist, attitude toward their countries' position in Europe. They accept the territorial shape of their states even though they were not allowed to choose their borders. Although Poland is not yet satisfied with its place in Europe, its drive to change that place has a peaceful and stabilizing character. This drive concerns membership in western integrative structures, and it is, as is known, supported by Germany. Russia's attitude is much more complicated as it attempts to change its position by, among other things, subordinating Ukraine as well as the other states of the CIS and also opposing Poland's aspirations for integration with the west.

Let me use this opportunity to mention the role of history in the consciousness of the German and Polish nations. Poles and Germans, probably for the first time in this century, were able rationally to define the place of history in their societies' life: not to escape from it and not to be imprisoned by it—neither *Geschichtsvergessenheit* nor *Geschichtsversessenheit*. More importantly, both were able to find a mode for speaking about history which does not separate them from one another, but rather draws them closer together. An example of this is shown in research done on expatriated populations—both Polish and German—during and after World War II. Taking all of this together we can easily see how necessary the Polish-German dialogue in the 1970s was.

How durable is this situation? This is a question which concerns the compatibility of fundamental German and Polish interests. Until 1990 Polish national interest with regard to Germany was to remove border antagonisms and find in Germany an ally for Poland's emancipation. German interest with regard to Poland was to reach a level of understanding which would close a chapter of history and to obtain Polish concession, or at least weaken Polish resistance, to German unification.

Both sides reached their goals. How do they define their interests after 1990 and what place does Germany provide for Poland and Poland for Germany in their respective agendas for the future?

Poland's basic aim was to acquire permanent security and possibilities for development in the 21st century. This requires a change in the country's geopolitical position and its joining with western integrative structures. It lies in Poland's interest that the new European system, which is only developing, should be based on the principle of integration and not on a struggle for influence among states.

This is due first of all to the conviction that small and medium sized states (Poland is a medium-sized state) can play a larger role in integrative conditions than in the traditional international system. Second, Poland occupies a place on the map which is very sensitive in geopolitical terms.

Today in central and eastern Europe we have an extraordinary situation. For more than 200 years this region was controlled either by Russia or by Germany. There were even times when it was controlled by both of these states together. Germany was compelled to withdraw from central Europe after a lost war. Fifty years later, Russia withdrew from the region as well. For the first time, central and eastern Europe is not controlled by Russia or Germany. Russian politics seem to view the withdrawal from central Europe as a loss that requires compensation. Russia's opposition to Poland's integration with the west stems from the conviction that through this integration Poland will drift away from Russia's sphere of influence. This seems to be a likely scenario, and it constitutes an important motif in current Polish foreign policy. This does not mean that Poland cannot have good relations with Russia. On the contrary, it can have very good relations. Most significantly, western integration can only help in achieving them.

In Germany today no significant political force advocates regaining control over central Europe. The conviction runs deep that a return to central Europe in the role of a regional power would be dangerous to the predominantly western orientation of German politics. A few years ago, a leading German politician was deeply troubled as he told me that there are people in some states of central Europe who were prepared to persuade Germany to establish a specific kind of protectorate over that region. Such a role would be possible only if the Federal Republic were to loosen its ties with its western partners and allies, something for which no evidence can be found. Certainly no one in Poland will attempt to convince the Germans to reconsider the fundamental policy of *Westbindung*.

Poland and Germany today share the acceptance of the integrative principle as the basis for a new European system. The Federal Republic is conscious that by loosening integrative ties it could theoretically win the most, but in practice it would be the greatest loser. The result of this conviction that post-unification Germany needs integration no less than during the period of its division is German support for Poland's integrative policy. Poland's membership in western structures means that central Europe ceases to be its neighbors' playground, and that Germans have western neighbors on their western and their eastern sides. For those who think in the categories of *Westbindung* this means completing the job begun with the policy of Franco-German understanding and reconciliation since the Schuman Declaration.

On this fundamental issue the interests of Poland and Germany are in harmony. Nonetheless, on the level of political practice there might be contrasts in opinions and interests. They could stem from the fact that the Federal Republic's policy exhibits greater dimensionality than Poland's. Germany is not a global power and will most likely not become one. But it has greatly

increased its participation in solving supra-regional problems, and it is a major actor on the European scene. The Federal Republic carries out its political activity in an arena in which the active players are the United States, France and Russia, as well as central Europe. In German politics the position of this last region has not yet been definitively determined. The states of central Europe are neither part of the group to which Germany belongs, i.e. the European Union, nor do they constitute a separate power as Russia does. Additionally, many Germans view this region as a area which consists of small states. The differences, for example, between the Czech Republic or Hungary and Poland often go unnoticed. Such views result in a tendency to treat these states in a “protective,” or if you will, “caring” manner. I remember one of Germany’s representatives being quoted in a newspaper as saying that the countries which aspire to NATO membership have no grounds for being concerned when something is being arranged for them with the Russians rather than with the countries themselves, because, after all, overcoming Moscow’s resistance is in these countries’ interests.

It would be a mistake to make too much of a tendency—and not, after all, the main current—of German politics. Nevertheless, the Federal Republic is only learning how to cope as a neighbor of democratic states of central Europe, just as these states are learning to be neighbors of a united Germany. Over the last 200 years Germany’s only fully independent partner to the east was Russia. This was the country with which most essential issues were discussed. The appearance of fully sovereign partners in central and eastern Europe is something very new.

I think that for Germany the ability to find a model of relations with the states of central and eastern Europe can become a political trump card. Henry Kissinger once said that Germany will never become a leading power because the Germans lack the ability to understand the psychology of other nations. Germans can acquire such ability, and I sincerely hope for them that this happens, not because I want Germany to become a superpower but because Germany could thus contribute to guaranteeing security and stabilization in central Europe.

I would now like to devote a few words to a problem which does not only have a long history but also a very contemporary sensitivity. It concerns Russia and its role in Polish-German relations. First, no parallels are to be found to Germany’s traditional pro-Russian orientation. That policy had three ingredients: it was Russophile, anti-western and anti-Polish. This mixture is absent as a credible political element in today’s Germany. It is also an important fact that contemporary Russia is not a very attractive partner, especially in the field of economics. On the list of Germany’s eastern economic partners Russia

has been surpassed by Poland. This is a fact that has not yet been fully comprehended by the German public, but it especially influences the mode of thinking of the economic elite. In the longer run Russia's immense natural resource base will enable it to regain the position of an economically strong partner for the west.

Polish public opinion, which is extremely sensitive on this issue, oftentimes does not notice that German policies towards Russia are identical with the policies of the west as a whole. There exists a tendency in Poland to treat Germany's policy towards Russia as a specific product of German tradition. Undoubtedly, tradition also plays a role. Some Germans feel that their country bears special responsibility for Russia. They are oftentimes too optimistic with respect to the amount of real influence that any external actor can have on the situation in Russia. Moreover, there is a strong stereotype in Germany of a Polish anti-Russian obsession. While it is true that some Poles contribute to prolonging the life of this stereotype, that does not explain the most important elements of Poland's diplomatic posture.

Many Germans do not realize that their attitudes are sometimes inconsistent. I will name one example: in the 2+4 negotiations, the Federal Republic stubbornly sought a definite security status for a unified Germany. East Germany was to become part of western integrative structures with no special status. Hans-Dietrich Genscher used to tell his Russian colleagues that the Federal Republic supported the creation of a comprehensive security system for Europe, but it did not envisage its security to be dependent on the success of this undertaking. The same answer given by Poland's representatives a few years later in connection with the discussion on enlarging NATO was perceived in Germany as a reflection of Polish distrust of Russia.

It must be frankly noted: the discussion of NATO enlargement has brought to light some weaknesses of Polish-German understanding. It has revealed the continuing persistence of stereotypes such as "Polish anti-Russian obsession" and the "German tendency to grovel before the Russians."

Therefore, it is important to note that regardless of these differences in perception, Polish-German relations had passed the test with high marks. Germany had supported Polish aspirations to NATO membership, although with many doubts. The German Minister of Defense, Volker R  he, was more involved in Poland's cause than any other European politician. German public opinion, according to recent opinion polls, also supports our country's NATO membership. According to these polls, 57 percent of the Germans are for the NATO membership of Poland, the Czech Republic, and Hungary, while 38 percent are against it. This is a positive change. Only a few months ago the majority of Germans was rather skeptical. These results might be due to the

NATO-Russia agreement. For many people, it was a signal that Poland's NATO membership and preserving good relations with Russia can indeed go hand in hand.

The same polls show that 72 percent of Germans believe their country's relations with Russia and the United States to be equally important. Only 20 percent believe the relations with the U.S. to be more important than with Russia. I do not wish to read too much into these results, but they do deserve a thorough analysis. We know that after German unification the image of the United States and NATO in Germany's eastern part was very negative. Since then the image has improved, but we still face the question: do transatlantic ties gain or lose in their importance for German public opinion? This is a question which must also be faced by the Poles, Germany's direct neighbors. Poland and Germany have a common interest in maintaining an American presence in Europe. The only difference is that for Poland, membership in NATO will for some time be its only form of participation in western politics. Germany is anchored in both the transatlantic and European structures. The latter ones play an increasingly important role in German politics. Former Chancellor Helmut Schmidt wrote in a recent issue of *Foreign Affairs* that in matters which concern the U.S. and France, Germany will more often support its European partner than had been the case so far.

Poland wants to join the European Union and its membership in NATO will not decrease the importance of this direction in Polish foreign policy. Poland needs the EU for two reasons:

First, the EU serves as a security community among whose members wars have become unthinkable. In this respect, the Franco-German example is especially important. Poland lies in the same geopolitical zone as do these two countries.

Second, Poland needs the EU so that it can modernize its economic institutions and accelerate economic development—following the examples of Spain, Portugal and Greece.

Germany supports Polish aspirations to membership in the EU, and its support is sincere. Germany has reasons for opening the European Union to the East—these reasons are political as well as economic. An enlarged EU is at the same time the least controversial vision of Poland's position in Europe and of Polish-German relations. The problem, however, lies in the fact that enlargement of the European Union becomes less an issue of foreign policy and is increasingly dealt with as a domestic affair. On these grounds it must be defended from all sorts of interest groups who look at their family members from the east with clear concern.

It is also generally known that when the negotiations on membership finally begin, most clashes of interests will be between Poland and Germany. Additionally, we are faced with the problem of Germany being absorbed by the Union's internal reforms. Theoretically, the so-called deepening and expansion of the Union are two harmonious ends. In practice this is not a pair of equals. Deepening has a very strong lobby. Some politicians, Helmut Kohl being one of them, have tied their political existence to its success. There exists among the German political class a strong conviction that the Monetary Union is an especially necessary answer to the new situation which arose after German unification. It is believed that it is an answer which is expected by France.

The expansion of the European Union is also supported by France but with much less enthusiasm. France very clearly stated its priorities: first the reform of the EU and only when that is finalized the admission of new members. Germany, pressured by its eastern neighbors, mentions the reform and the opening to the east as the Union's two equally important goals.

An effort to harmonize the politics of France, Germany and Poland created the so-called Weimar Group six years ago. The Group's aim is to transfer the experience from Franco-German relations further to the east. The Weimar triangle should also serve to contribute to making the expansion a coordinated EU initiative and not just a "German hobby," treated with reserve.

I would like to end by returning to the question of how lasting the change in Polish-German relations is. The experience of Franco-German co-operation provides the answer to that question. The breakthrough which had been achieved in the relations between these countries became permanent because the traditional bilateral understanding was replaced with multilateral mechanisms. I am convinced that today's Polish-German relations have to take exactly the same turn. For this to work, it will take a real change in the situation of central Europe, and especially in Polish-German relations. Never before in this century has there been such a great chance for the co-operation of these two countries as there is today.

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