# **EUrozine**



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Europe and the "new German question"

Addressing a panel hosted by the European Council on Foreign Relations and the Mercator Foundation on 6 April 2011, Jürgen Habermas criticized political elites for shirking their responsibility of delivering Europe to its citizens, instead relying on opportunism that threatens to "sink 50 years of European history". Germany in particular is at a crossroads in terms of re–imagining its place in the world (and its place in Europe), a task that German leaders, so far, have met with uninspired policies and politics. (Habermas' speech is available in German here.) In the ensuing debate, published below, political, legal and economic experts took up Habermas' criticisms, addressing in particular the question of the role of the German government in policies leading to what is being seen as the European Union's crisis of democratic legitimacy. Is Germany's perceived withdrawal from the common European project at the heart of the current crisis?

**Ulrike Guérot:** Joschka Fischer, to begin right away with Jürgen Habermas' central idea: Is it true that Germany is once again staking an unabashed claim to leadership in a Europe that is increasingly shaped by Germany? Is this the trend of the age and are we therefore seeing a kind of renationalization of Germany, to the detriment of Europe?

Joschka Fischer: Jürgen Habermas' findings are impossible to disagree with, in the sense that the facts simply bear out his conclusions. But this "renationalization" does not express a conscious decision in the sense of a strategic U-turn, in the sense that on 9 November 1989 Germany made this great reversal back to the nation state. My impression is rather that, for several years now, this development is simply what is happening. Which, it must be said, does not improve the situation in the slightest. Of course the failure of the European constitutional treaty plays an important role in this, since the optimism connected with it has evaporated. I think the criticism of the treaty and its requirements as having been too ambitious is wrong, not least in view of what came next. It was not the oft-criticized ambition and emotionality of the European debate, particularly on the constitution, that led to failure; true cross-border democracy on a European scale could have done with this kind of emotion and engagement. That is the quintessence of the last few wasted years. The Lisbon treaty plainly cannot fill this emotional gap, for all its legal and administrative complexity.



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What we experience today when we venture outside Europe is a fundamentally different global reality, which could not be in more marked contrast to the European one. If we look at China or the other BRIC states, or the reorientation of the USA, it's frankly laughable to imagine that even the "big three" in Europe — Great Britain and France, the two most powerful states, both nuclear powers and permanent members of the UN Security Council, along with Germany, the most powerful country economically and with the largest population — could on their own still play a globally significant role.

If we look at the economic facts and our mutual dependency, and the fact that the welfare state, the stability of our democratic system and the prosperity of the German population all require a large German national economy, it becomes simply ludicrous to continue to talk of a German domestic market. The interconnections in the European common market are much too close for that.

The euro is indeed coming under fire at the moment, but none of the professors vocally advocating a return to the deutschmark have said what the costs of doing so would be. And with good reason, since the costs would be huge and, believe it or now, the very country that has been the number one winner from the euro would become the chief loser. And guess which country we are talking about here? Yes — ours.

The facts all argue, especially from the German perspective, not only for pressing on with the process of European integration, but for pushing it to its conclusion. If we look at the effects of the EU's strategic weakness on its neighbouring countries, we see how the situation is stagnating and even threatening to reverse the progress that has been made — for instance in the Balkans, in Bosnia and other countries that are undoubtedly part of Europe, and no one disputes that the Balkans are part of Europe. And if we look further, we see how Turkey is moving further and further away from Europe and taking on an independent role; I wouldn't be surprised if Turkey were increasingly to take over the role of Europe in our immediate neighbourhood in the Mediterranean and also in the Middle East -- not in economic terms, but politically. And when we consider the current security issues in the case of Libya — that is to say, the inability of the Europeans to reach a common policy on security and foreign affairs — then it becomes clear that in this country, even at the very top of government, it has not yet been understood that there can be no European foreign and security policy without unity among the "Big Three". Naive as I am, I thought that it was genetically inherited there should never again be a "two against one" conflict in Europe and that we should all act concertedly. But that's the very opposite of what we're seeing now.

And on top of that, Germany is now renouncing its leading role in the economic and particularly the currency crisis. This, although the Chancellor had just one decision to make: will she defend the euro or not? As the German Chancellor, her only option was to say yes. Any further hesitation was only going to be counterproductive.

## The return of the great crisis

This is the current sorry state of Europe, and Germany plays a big part in that. It reminds me a little of the period of the 1880s and 1890s; to paraphrase Karl Marx's *The Eighteenth Brumaire*, today we are seeing the tragedies of the late nineteenth and twentieth centuries repeated as farce. Even Max Weber argued at the time, together with many others of his generation, that Germany had to escape from Bismarck's system of balance and equilibrium, since without Germany's entry into world politics the whole unification project would have been worthless. We know how that ended.

Fortunately no threat on the same scale faces us today, but the same mentality has returned. And yet nothing has changed in the German position, in the basic facts or in the fundamental situation. We are too big to be a Switzerland — something many people would welcome, but it won't work — and too small to be able to pursue an independent foreign policy on a global scale. None of that has changed, except that we now feel powerful again. This is where the comparison with the late 1880s and early 1890s comes in: this feeling of strength is a dangerous tendency — albeit one not about to lead to a new tragedy, just to make myself clear. Germany is and has been the driving force behind European integration, for its own historical reasons. If this Germany now no longer views the continuation of European integration as its supreme interest, then integration will not only stagnate, but actually regress.

Sociological and societal factors come into play as well: Europeans are getting older and older, they feel weak and rightly suspect that they could lose out. This confused sense of threat is transferred to immigrants — yet at the same time we are heavily dependent on immigration. This is another contradiction that puts a huge brake on the process of European integration from the bottom up — Euroscepticism and xenophobia are close bedfellows in most European member states.

This means that conditions are far from good. If *de facto* renationalization intensifies, the European project will be massively jeopardized.

# Failure of economic leadership

As far as economic and financial questions are concerned, and they are of central importance in all of this, I see a very serious failure of leadership on Germany's part, which is greatly damaging to us too. Henrik Enderlein will go into this in more detail, but I would simply like to give an example.

The German pensioner who until recently had several good reasons to be distrustful of large banks would loyally take her savings to the supposedly safer local savings banks, to the *Sparkasse*. But before this grandmother had even reached home, her money might already have reached the southern periphery of Europe, where it was being offered out at fantastically low rates of interest. Greek citizens thought it was Christmas all year round. So they started spending — big time. After all, getting into debt was so cheap.

And guess what the Greeks spent it all on? Those wonderful top—of—the—range cars and other vehicles, all sorts of marvellous products, mass—produced for the most part in Germany. And thus grandmother's savings returned via the economic cycle and began working here as a growth turbine. The fear of the so—called "haircut" of Greek debts is therefore in essence the fear that German banks and insurance companies with Greek debt documents could be affected.

Well, in the case of Greece it could indeed be said that they had done unacceptable things that should never be repeated. In the case of Ireland, on the other hand, the same cannot be said, since their levels of debt were actually lower than ours. Money earned in the backrooms of Dublin was enjoyed by German banks, whether under Social Democrat or Christian Democrat control. But no one explains this critical point to our citizens.

And here I come to the failure of leadership: Why is no clear position taken in this country? Why is no debate initiated? Of course the debate will be hard—fought, but that is necessary in a democracy, because this is about an act of material solidarity, about the fact that responsibility needs to be taken and shared around. What I see here is a very serious failure on the part of the Chancellor, because this needs to be led from the top.

Even if Jürgen Habermas rightly points to the need for a pan–European process of political interest–formation, I can't at the moment see any alternative to the intergovernmental method, because there is no chance of any remotely ambitious change to the Lisbon treaty ever being passed. It will quite simply founder on the objections of certain member states. But what we now need is precisely some far–reaching decision–making in order to properly restore the economic and fiscal union.

#### The democratic deficit

The European Parliament (EP) remains indispensable as a basis for legitimacy in a formal sense. Nevertheless this was for me one of the major disappointments of the constitutional treaty. It was an error to believe that with a new convention structure, one that included the representatives of the national parliaments and the European Parliament, the existing deficit of legitimacy in European structures could simply be removed. The legitimate power of the European Parliament as opposed to the national sovereign states is — let me put it mildly — very small indeed. The European Parliament also stands for the distance of Brussels and *not* the representation of each of the national sovereign states on a European level. That might be regrettable, but it is the case nonetheless.

That's why in my opinion we need a further, not merely formal, but also substantially legitimizing element. By this I mean signing up national governments to actively campaign for majorities in these European questions. Not only for formal majorities in parliament, in which governments tell parties that now they need to vote in favour, but for genuine majorities among the people. This would mean conducting a real debate in society — and that involves taking a risk.

So as not to solely criticize Angela Merkel — something she clearly deserves on this issue — I have to be honest and include the opposition. When I look at the German federal parliament and the parties represented there, in all seriousness I see no one among the younger generation currently in charge who might be prepared to develop a vision of Europe, to make an intellectual

investment in that vision and thus put part or all of their political destiny on the line. I simply don't see that.

As long as this is the case, the *de facto* process of renationalization will continue. Of course the supreme responsibility lies with the Chancellor as the head of government. But it also lies with the political parties: without a serious debate in each national public sphere about how to overcome this crisis and whether we really do want to proceed towards the realization of an economic and fiscal union, in other words, towards a solidarity union or transfer and stability union, without this fundamental debate I don't see how the European Union will be able to work in the long term. And exactly the same goes for common foreign and security policy.

That's is why I take the view that democracy develops above all through the pressure of crisis. At the moment it doesn't yet look as though this crisis will be powerful enough to push that democratic process into action. Right now I get the impression that Europe is running out of steam. Nevertheless, I still hope that pressure will build up through this chain of events and that this will really trigger off democratic mobilization. But this also means that the Eurosceptics will become much stronger. That's why those who want Europe should finally say where it is that they want to go. For me this goal is no longer something confused or abstract, some kind of legal construct *sui generis*. Of course, that is what it will ultimately be, but the child needs a name, and I believe that what we are talking about is the fulfilment of a United States of Europe.

## The right policy for a country that doesn't exist

**Ulrike Guérot:** If I interpret Joschka Fischer's diagnosis correctly, the real risk is not a massive crash, but the gradual crumbling and decline of Europe for want of a viable vision. In a recent article in *Newsweek* entitled "Murder on the EU Express", the British historian Niall Ferguson describes this course of events as "incremental disintegration", as the slow implosion of Europe. Henrik Enderlein, perhaps you can explain to us in a little more detail how this implosion is taking place in the European crisis and where the opportunities and flaws in the current euro treaty lie?

**Henrik Enderlein:** To answer the question about the euro crisis, I have to trace events back a bit: what is this monetary union that we are dealing with precisely? Monetary union, as economists were always quite clear about, is a political and not an economic project. It was plain to every economist that if a single economic policy is followed in all member states in a monetary area that is not ideal for the purpose, because insufficiently homogeneous, imbalances will inevitably be created. It is because this topic is so important that the debate on the Maastricht treaty was so interesting. It is therefore worth returning to this debate once again, for this is where we saw the fatal error of monetary union. In the debate there were two internally consistent approaches: the French approach said let's create the common currency and form an economic government that will furnish us with a homogeneous and ideal currency area. This was coherent. Then there was the opposite but equally coherent German position, which said that first we build the common integrated monetary area, and at the end we add the common currency, as the icing on the cake.

But what does Europe actually do? It comes to a compromise. The common currency is introduced, but no institutional framework is created in order to shape the homogeneous currency area. That's the fatal error, and what were the

inevitable consequences? Imbalances within Europe; and that's exactly what we have seen over the past ten years.

But why do these imbalances arise? The pensioner that Joschka Fischer referred to illustrates this perfectly. The European Central Bank (ECB) fixes a uniform interest rate for all countries, no matter how different they are. If half the countries have zero inflation and the other half four per cent, the ECB will settle on the midpoint of two per cent. The interest rate thus arrived at is wrong for both sides: too high for one and too low for the other. The ECB operates a "one size fits none" policy — the right policy for a country that doesn't exist.

And what's the result? Of course there are economic shifts that lead to imbalances. If people live in a country with zero inflation and no growth — like Germany in the first half of the last decade — then they will save their money and invest it on the other side — in regions with high inflation, rapid growth and a booming housing market: Ireland, Portugal, Spain, Greece... At first sight these countries are doing very well, and the "problem countries" are on the other side.

But the contractual basis of the Maastricht treaty did not allow for imbalances of the kind that we have created with the common currency. The Maastricht treaty suggested that everyone would be better off under the single currency. That is why it created a fixed legitimacy for the euro — an unsuitable one. The logic is as follows: if there is no redistribution, we can rely purely on output legitimacy, i.e. legitimacy created by politically independent bodies, for example a central bank or regulatory system such as a stability and growth pact, which derive their legitimacy from the results they achieve.

But if redistribution takes place, then procedural legitimacy is required, in other words input legitimacy, which includes national parliaments, allows for political debate, and which can ultimately only be put into practice in the context of an economic government. But we never created one, and it was the German government above all that always rejected such economic integration.

#### What should be done?

Now we are faced with the question of what to do about the crisis. I see four possible answers.

The first is that we continue to deny that these redistributive effects exist. This is exactly what the German government did until March 2010, by insisting that we do not need any kind of common economic government.

The second option is that we create a union of regulation. This union, the political foster—child of German economics, does not seek to actively dictate to countries what they should do, but simply what they should not do. But this approach also failed, because it wasn't Ireland and Spain that broke the stability pact, but Germany and France. Today it is the very two countries that broke the rules that are helping out the rest of the eurozone and that perceive themselves as anchors of stability.

There is a third approach. This one says, to put it crudely, that we jack the whole thing in. This is absolutely a legitimate view, and I quite agree with you, Joschka Fischer, when you say that we have to go on the offensive far more in this debate, with Eurosceptics too. But we also have to make the costs clear. You have already mentioned this: it would be economically fatal, legally

impossible, politically disastrous and socially foolish to end the euro project. We would be faced with far greater costs if we abandoned this euro, rather than fighting for it and investing in it.

To give an example: the entire European financial market is designed so that we can no longer distinguish between what on a balance sheet would have been an asset or liability under the former deutschmark and what an asset or liability under the former drachma. How can a national currency be reintroduced without causing the collapse of the entire system? We would be taken to court millions of times over if we were to reintroduce the national currencies. In short: it's not going to happen. But if it's not, then we're left only with the fourth solution.

# Full steam ahead as only solution

And the fourth solution is to go full steam ahead. So that we don't misunderstand each other: this is not an emotional plea for Europe as idealistic daydream, but simply a matter of functional logic. If we want to maintain the eurozone then the only option we have is more Europe. But it is precisely this that European economic policy, particularly in Germany, cannot acknowledge. It talks with sibylline forked tongue about how marvellous Europe is, but at the same time refuses to pay for it. We have to free ourselves of this problem by creating European institutions that legitimize the transfer union that we already have in place.

Here we reach the issue of "input legitimacy" that is lacking on the European level. The European Parliament indeed has to be involved, as Jürgen Habermas suggests — and other parliaments too. And yet we are not having this discussion in Europe, but instead getting diverted by debates that by comparison are a mere sideshow. The European pact, for all its announcements about standardization, is meaningless for two crucial reasons: first, everything has to be decided unanimously; and second, nation states can decide independently what to enact, and what not to! If a European document contains both these mutually exclusive aspects, it is worthless.

Furthermore, the European Stability Mechanism (ESM) that we have now set up tackles the wrong problem. We will never resolve it as long as we don't resolve the central issue: what do we do about the heavily indebted nations on the so-called periphery? The ESM is introducing new borrowing agreements that will be valid until 2020 or 2030, parallel to the current borrowing agreements. Can we really wait until 2020 until we overcome the crisis? That's absurd. At the same time there is a simple reason for us to drag the crisis out: the desperate state of the German banking system. We won't find a solution as long as we fail to publicize the well–kept secret — which Joschka Fischer has unfortunately just let out of the bag — that the problem of the debt crisis on the periphery is in fact a problem of German banking.

#### The form of the European Union

**Ulrike Guérot:** Perhaps this is indeed the key question in the euro debate: what would happen if everything crashed, even the German banks? But first, a question to you, Christian Calliess. Clearly, Europe is still lacking the proper legitimacy somewhere along the line; as Jürgen Habermas and Joschka Fischer have said, a whole range of decision—making processes and mandates have yet be legitimized. This was also the judgement of the Federal Constitutional Court of Germany on the Lisbon treaty in 2009. What do you see as the

central problem in this verdict?

Christian Calliess: With the character and the legitimacy of the EU you have touched upon two very complex questions. My answer, as just one voice among the many constitutional and European legal specialists, is that the European Union can only be understood as a federal association. It is a kind of federation, but as such it is something genuinely new. We cannot classify it using traditional concepts of statehood or of international law. If you think of a river, the EU is, metaphorically speaking, somewhere between the one shore of being an international organization, which it has long since left behind, and the other shore of statehood, which it has neither reached, nor -- according to the classical definition of statehood at least -- will ever reach. The EU started out as an international organization with an international constitutional treaty -although there were certain peculiarities as a result of the supranational elements there from the start. Among these was especially its directly enforceable law, which can be applied to citizens without being mediated through national law. This was worked out and developed by the dispensation of the European Court of Justice. Over the course of time, the European Union gradually moved further and further away from this international concept and now, to return to the metaphor, it is somewhere in the middle of the river. But we have no category for this new concept, and it is this very unclassifiability, this process of searching, that is currently causing us all sorts of problems.

Even the German Constitutional Court found no answer to these problems in its Lisbon verdict. Or to put it differently: it made the answer too easy for itself by solely considering traditional categories of international and state law, treating the European Union more or less in terms of international law. That is my main criticism of the verdict.

The advantage of the Constitutional Court's approach is that we can understand it, since we are used to thinking in the categories of international law and sovereign statehood. The problem we have is precisely that of defining and characterizing this new category, this federal association. What is it exactly? This is what we need to discuss; this is what the discourse is all about, though the court failed to take it into account. As a result it came to a rather simplistic verdict, particularly in its response to the question of democratic legitimacy.

#### The democratic model of dual legitimacy

Yet it is precisely this aspect of the verdict that was overwhelmingly reflected in the media: should the issue of European democracy be resolved as it is in international law, where legitimacy can ultimately only be endowed through national parliaments? This is the classical way. The challenges of globalization on an international level — for example the question of democratic legitimacy when governments negotiate in the G20 — can indeed be tackled only through national parliaments, which need to internationalize themselves in this respect. But that doesn't work for the European Union, being a federal construct.

This is because at the European level the democratic principle has been specifically shaped by a model of dual legitimacy, which is also explicitly anchored in article 10, paragraph 2 EUV of the Lisbon treaty, but not pursued further by the German Constitutional Court. In this model, the representatives of the national governments provide democratic legitimacy in the European Council, and are monitored by their respective national governments. This nationally endowed strand of legitimacy is supplemented by the European Parliament, which is directly elected by us, the citizens of the EU, and which

carries the same weight of decision—making power. The strong role of the European Parliament was not sufficiently appreciated by the German Constitutional Court. A problem certainly does exist in elections to the European Parliament as regards the equality of voting, a problem that has been addressed by the court: the vote of a citizen of Luxembourg has ten times the weight in proportional terms as the vote of a German citizen. And yet this is due to the principle of equality between states: smaller member states would otherwise have only half or a quarter of a representative each, and they need to be allowed a fair hearing in the European Parliament. This problem of so—called "regressive proportionality" has been considered by the German Constitutional Court, and is the reason for its denial of the right of the European Parliament to represent the European people.

This assessment, though, is born out of thinking in the categories of national and international law. If we understand the EU as a federal association, we need to see how the democratic deficit that results from the lack of voting equality can be offset. And at this point the other strand of legitimacy comes into play: the European Council, which is monitored by the national parliaments. The German Constitutional Court wants, quite rightly, to assign a more active role to the Council, in the name of accountability in the process of integration.

But in this process the European Parliament becomes an irrelevance. Rather than setting both strands alongside each other with due proportions of legitimacy, the German Constitutional Court continues to insist that a true democratic process can only take place via the national parliaments. In this sense it is almost tragic to see how the court is now choosing to make an example of the very organization that, unlike classical international bodies such as the UN and the World Trade Organization, actually has a parliament, moreover one that is directly elected by its citizens and vested with far-reaching decision-making and decision-checking powers. Here we see a major problem with the verdict, all the more so given that the court does not ultimately even offer any answer to the question of what the European Parliament can still become. Could it become a real parliament that elects a European government — i.e. the Commission — on a genuine scale? Can we have fully-fledged, representative democracy on a European scale? In this respect, the influence and decision-making powers of the parliament — which it already possesses — have not been sufficiently appreciated. Ultimately, all German Constitutional Court says is that if the democratic deficits that still exist were resolved, the European Parliament would indeed be a parliament of the kind we find only in a fully-fledged state, i.e. a nation state. The further reinforcement of the parliament's democratic legitimacy is thus inextricably linked to the foundation of a European federal state. But since the European Union is no such thing and doesn't seek to become one either, integration ends up being suspended.

Here I come to another very important point not only as regards this particular verdict, but the whole debate. If we follow the judgement of the German Constitutional Court and freeze integration, we end up in a trap: for democratic reasons, we can't move forward and assume more competencies. For that we need full legitimacy in the European Parliament, but that would mean a step towards a federal state — which the court, on the basis of our constitution at least, has just ruled out. But the federal state is not something anyone wants, not even in the Lisbon treaty. Joschka Fischer has just said it too: we are seeking something new, something of our own, this federal association, if I may call it that; we are *not* seeking a European federal state in the classical

sense. The Constitutional Court should have been open—minded about this perspective, especially given the question of democratic legitimacy. This is at least what the experts on Europe who have developed initial theories about an association would have wanted. This aspect of the verdict of the Constitutional Court has therefore been heavily criticized by the vast majority for choosing a model that, because it is too state—centred, leads us down a blind alley.

Yet there is a second aspect behind the verdict that greatly concerns me: Why is the Constitutional Court suspending the process of European integration? Is this really a renationalization, a new unilateralism? I don't think so. I don't think that Germany is renationalizing itself in this sense — or if so, not consciously. And this has something to do with the fatigue with Europe, which is being expressed in everyone feeling overburdened, be they citizens or politicians. Even in European academic studies you can sense this fatigue.

# "Europe fatigue" and the democratic dilemma

The European Union is indeed so complex that even judges can feel the need for a breather and for that reason want to suspend the process of European integration. They do this not by arguing for a return to the nation state or renationalization, but by tying the traditional concept of state sovereignty to the issue of democracy. What we thus get is an approach that many leftwing liberals can share, based as it is not on the nation state but on democratic legitimacy. The deficiencies in this area compel us to suspend the process of European integration — so the argument goes. But there is a danger that, with this attitude, European integration and democracy get played off against each other — and that is not constructive.

Which brings us back to the EU's democratic dilemma. What causes it? I think one reason is that in Germany we have failed to discuss the finality of the European Union at a deeper level. Joschka Fischer, in your Humboldt speech in 2000 you took a step in this direction, but unfortunately you didn't pursue it further, if I may say so. Of course, you did so in the form of the constitutional treaty, but that has now failed because of the referendums in France and the Netherlands. Since the failure of the constitutional treaty you have talked more and more about a topic that doesn't actually sit very well with your blueprint of a United States of Europe — namely the further enlargement of the EU. As foreign minister, you saw Europe as a global strategic expansionist project the need to include unstable states such as in the Balkans, and Turkey too while at the same time, with your objective of a United States of Europe, you pushed for a further deepening of integration. But can both go hand in hand? I don't think most citizens believe so. EU citizens feel that closer union and enlargement stand in irreconcilable conflict. The question is entirely unresolved on a European level, too. For example, is it possible, with 27 different cultures and legal systems and very differing conditions among the member states, to establish a European domestic policy where such a thing exists as a common European arrest warrant?

That's why I think that the German Constitutional Court's Lisbon verdict in 2009 was already implied in its judgement on the European arrest warrant in 2005. The judges couldn't imagine a German citizen being extradited to Romania, and with some justification. This is where the heterogeneity of Europe brings with it challenges that European politics haven't yet met. There *is* a disjunction between expansion and closer union — and precisely because of this we get the present uneasiness about how to handle issues of economic governance and European solidarity. The writer Léon de Winter has called for

a return to the EEC. This in my view is a very dangerous demand, and absolutely the wrong way to go, since such a perspective would be a contradiction of our concept of a free market economy flanked by social and environmental guarantees. Still, we have to discuss this option, since unfortunately it is the view of many citizens.

## The reciprocal opening up of national public spheres

**Ulrike Guérot:** Jürgen Habermas, is the trap posed by integration discussed by all three previous speakers not also a discursive trap: namely that we need to *want* more, be it closer union or more expansion, but don't say what? Does this perhaps have to do with the underestimated complexity of Europe, which we are also seeing in the euro crisis in the economic sphere — i.e. the heterogeneity of economic models and concepts that aren't applicable to France or to Greece in the same way?

**Jürgen Habermas:** I don't want to overload a discussion that's already overflowing with different issues, but it's true that the euro crisis has yet again made us aware of the cunning of economic reason. First of all, problems arise in our common eurozone that need to be jointly resolved. This could in turn lead to developments favouring a two–speed Europe. What I mean is that, politically, we are faced with systemic constraints that first of all compel us to take the next step towards political integration within our own nations.

The statements of my three colleagues all converge on one point, namely that, whether we like it or not, we are faced with a choice between jeopardizing the degree of monetary union that we have already reached or, at the very least, setting out the institutional preconditions for closer cooperation between member states.

The first step on this rocky road has to involve making this choice clear in the public sphere, indeed dramatizing it, so that a broad discussion is initiated. If, as you say, we have no choice but to move forward, then we should at least know what we're doing and not let ourselves get sucked into a vortex of creeping disintegration.

This debate could also be a step towards the permanent creation of a European public sphere. Such a thing always emerges when, as with the emergency rescue fund for the euro, we are faced with issues that affect the populations of all participating member states — issues that are viewed as relevant across national borders. My idea is quite simple: we don't need any changes at all to the infrastructure of the national public spheres. From the quality press through television to the tabloid press, we have all we need to create a European public sphere.

The real problem is the opening up of national public spheres to one another, so that in Germany, for example, we are informed about the most important discussions in Spain, Greece, Italy, France or Poland — and vice versa. The national media in all countries are not in the habit of debating major European decisions — not even ones that already today are voted on in the European Parliament — let alone punctually, i.e. before they've been nodded through by the national parliaments. Despite mass tourism, national public spheres are so shut off from one another that we aren't even kept sufficiently informed about the varying moods and opinions in other countries. I get the impression that in Germany, when it comes to the resentments that have built up elsewhere against "German diktats" in economic policy, we live in a state of blissful

ignorance.

There can only be a process of pan–European opinion–formation and majority–building if the national media cover relevant opinions and attitudes on common interests in other, foreign, national media. And it's a sad sign that despite the establishment of European elections we haven't even managed to a introduce a common European electoral law.

Let me go into one more point. Eurosceptics object that the narrative that motivated the founding fathers of the EU has had its day. It's true that we need no further deepening of the European Union in order to prevent new wars being fought within Europe. But the globalization of markets and electronically accelerated communication have become so advanced that a systemically integrated and highly interdependent global society has evolved that entails not only shifts in political powers but also the emergence of entirely new political dimensions. These globalizing trends have imposed quite different imperatives on Europe. A new narrative for European unity doesn't therefore need to be far–fetched. Three key concepts come to mind: self–assertion, constructive participation in enabling the creation of a common global policy, and maintaining the diversity of the cultural spheres in which we live.

## **Europe: A continent of pluralism**

I don't want to say much about the political self-assertion of Europe in a changing world. Compared to the USA and the BRIC countries, our nation states have shrunk to the status of minor principalities. Even Germany's economic power is going to be of less and less account. As can be seen from every international conflict of the last twenty years, it's simply foolish to assume that Europe's voice will still count for anything if we don't learn to speak with one voice. Joschka Fischer continues to provide us with many cogent arguments for Europe's self-assertion in global politics. I can understand that this approach isn't to everyone's taste; but even those of us averse to power politics would be ill-advised to ignore it.

Secondly, the issue is also one of normative ideas about how to solve the problems that the international community cannot escape: How should we handle the need to regulate market–driven capitalism, climate change and the global risks of nuclear technology, or develop a non–selective human rights policy? Should Europe have no interest in influencing the institutions of a future world order so that they achieve democratic legitimacy and meet standards of social justice?

And, if you will excuse the sentimentality, the third point is ultimately a historical view, arising out of a very different kind of self–assertion. This Europe is a collection of former empires and ultimately of nation states that not only bear responsibility for the dark and criminal flipside of social modernization, but that have also undergone a decline in their own political significance and have had to digest the loss of their imperial power. This Europe, fortunately now domesticated and more civil, has inherited, thanks to its difficult history, an incomparably pluralistic culture. That may sound Eurocentric and indeed it is. But if one knows that among the plurality of voices one only has one, then one can speak from the first–person perspective. What Brecht said about his own country — "Let our land seem dearest to us just as others' seem dearest to them" — we can say about "our" countries as a whole.

Every journey through Europe — be it geographical or historical — leaves the impression, not only on us Europeans, that we have here an incredible diversity stemming from the historical origins of this single continent. This, it seems to me, is worth preserving at all costs. But the irony of history is that we won't succeed in preserving this diversity, developed over the course of the centuries, if Europe doesn't stick together, and instead carves itself up into its small, self—contemplating nations.

**Ulrike Guérot:** Thank you very much, Jürgen Habermas, for these powerful and emotional words. At the moment there seems to be an increasing kind of autism in Germany and a sense of national complacency about how we are viewed abroad. I wonder where the break in this narrative comes? Is it with the post–'89 generation, which seems to have lost its connection to Europe?

Joschka Fischer: I agree entirely with Jürgen Habermas: our knowledge of — and interest in — one another is experiencing a rapid decline. But it's even worse than that: if you listen carefully to what's being said over here about Nicolas Sarkozy — in such an endearingly innocent, pacifist yet nationalistic tone, such as I last heard from the grandfather of a friend who insisted that our French arch—enemy was the root of all evil — and if you look at what is being said about Germany in Parisian intellectual and journalistic, i.e. political circles, then we're quite a bit further down the road of renationalization than we thought. What's currently happening between Germany and France is very destructive. It's still the case that if Germany and France are in conflict with each other, then nothing will move forward in the European Union: quite the opposite, things will only go backwards.

## There is no pause from history

As for the question of feeling overburdened, I have to disagree: in politics one cannot simply take a pause from history. Besides, who are we to feel overburdened, compared to our parents' generation? They had to cope with Nazism, the Second World War, expulsion, captivity, moral ruin, individual guilt for crimes Germany had been involved in, then the division of Germany, the threat of nuclear destruction, and so on. As we speak, people are writing again about the starvation in the winter of 1946–47 and the admission of 12 to 14 million refugees. And *we* feel overburdened? I don't think so.

The first step towards expansion took place on 3 October 1990, when 17 million East Germans became citizens of the EU in the course of reunification. It would have been absurd to tell the Poles and all the others that "the East Germans are allowed in, but you must stay out". The same goes for Yugoslavia. Remember the terrible consequences of the civil war in Yugoslavia: 250 000 refugees from Bosnia alone taken in by Germany. Without the European perspective we would still be where we were back then in the Balkans. So you can't take time out from the strategic interests of a country or a federal association like the EU.

Where would we be today without the expansion of the EU? We'd have a newly strengthened Russia and a central Europe still obeying the logic of national sovereignty, driven by the nightmares of nationalism. That's why there's no alternative to expansion. Yes, we'll have to consolidate our relationships, and that can't be done by going back to the drawing board. At the same time, we'll have to attend to our strategic interests; there's no way round that either. Such is the complexity of reality.

One final point: I think that the Chancellor's big mistake was to allow European policy to be set by the two most Eurosceptic institutions in the German state, namely the Federal Bank and the Federal Constitutional Court. In the past, neither has exactly been a driving force for integration. So I see the Euro Plus Pact adopted in March 2011 as a step in the right direction, as a way to finally get some suggestions on the table, with all the shortcomings you have mentioned.

I think that it's high time to instigate a heated debate about European politics, to be open about it, to be tough and not to fear emotionalization from the other side. The thinking behind European integration has always had emotionalism as its lifeblood; we mustn't forget this. It's important to be rational, but rationality needs emotion to back it up. Europe won't proceed by pragmatism alone — it will only go backwards.

# Too big on the small things, too small on the big things?

**Question from the audience:** Isn't Europe too big on the small stage and far too small on the big stage? At the micro–level it swamps us with countless regulations which create a great deal of friction, and at the macro–level it doesn't solve the problems.

Andre Wilkens, *Stiftung Mercator*: When Germany gets stronger and uses its power, the issue of the "German question" resurfaces all over again. But the "German question" was actually a driving force behind the founding of the European Union — which was in no small measure justified by the need to incorporate Germany. Are we now faced with a "new German question", and maybe also a new driving force for Europe?

**Derek Scally,** *Irish Times*: Joschka Fischer, you said at the beginning that a great deal of money was made for German banks "in the backrooms of Dublin". Do you believe that this has been deliberately or unintentionally withheld from the German debate in the question of support for Ireland?

Henrik Enderlein: Too big and too small: An economist will always tell you "Follow the money!" This is also the answer that you have to give to those who always say "Who cares whether it's a federal state or a confederation?" No, what counts is who holds the purse—strings. Europe has an economically non—existent budget and in this respect is indeed too small to solve the problems. But the German Constitutional Court actually says that sovereignty over the budget is the source of national democracy, the very source of legitimacy. What does this mean for the EU? I think that is the crucial question we all need to answer.

One more point on the German banks: of course the government has kept quiet about their role deliberately, although the banks were the key problem in this crisis from the start. The government knew perfectly well that if you create a problem with the regional banks, then you have a further problem with at least five federal state presidents in Germany, and if you have to involve German federalism in solving European problems, then you have a real problem.

**Christian Calliess:** On the question of whether Europe is too small on the one hand and too big on the other: for me, this question is closely connected to the creation of a European single market. As an economic project for European integration, this was viewed very critically in the 1990s because of its deregulatory effects — and rightly so. That's why we insisted that a single

market must be socially and environmentally compatible. This includes the European Union imposing regulations in the sphere of consumer rights and environmental protection — yes, even the lightbulb. We can argue about whether this is politically right or wrong, but they are European decisions in a common market. I don't want to see an ungoverned market, and so I support these decisions that provide regulative flanking to the single market.

Joschka Fischer: There are some things that I just can't hear any more! Especially this argument about too small and too big. Consider for a moment how much regulation you consume on the single market every single day when you go shopping or whatever else, without even thinking about it, because it all works. Take the health standards over the entire EU area — this wasn't always something we could take for granted, be it in food or veterinary products. That's why I can't read Hans Magnus Enzensberger any more — his polemics against "Brussels bureaucracy" drive me crazy. To refuse to see what incredible progress European regulation has brought in citizens' daily lives is just mischievous. And for what it's worth, the bureaucracy of Brussels is smaller than the bureaucracy of Munich. Hardly anyone knows how much of it is the result of compromises in the European, where heads of state and government sit. For instance, the famous Bavarian tractor initiative that led to the standardization of tractor seats is the brainchild of Edmund Stoiber, and quintessentially Bavarian.

So when it comes to the prejudice that European bureaucracy intrudes everywhere into our daily lives, I can only say that our national government and the upper and lower parliaments are involved at every stage. The question of whether Europe is too big or too small therefore has, in my view, long been settled: because of the single market and other regulations, the majority of rulings take place at a European level. And that's how it should be, because we Germans would in turn be the biggest losers if everything were to be regulated individually. We shouldn't be under any illusions about that.

And finally the question of how far the German government deliberately kept quiet about the role of our regional banks in the Irish crisis. As so often in life, we shouldn't assume some kind of master plan behind this: it's not as if the German government was deliberately trying to damage Ireland. But reality is ignored to an extent. Ireland could have made things simple for itself if prime minister Brian Cowen and his cabinet had said: We'll take on the debts of the Irish banks, but the British, French and German banks' debts aren't our problem. The Irish national budget would now be in a much better state. And the truth about the German banks would have come to light over here pretty clearly.

**Jürgen Habermas:** Are we now seeing a new version of the same German question that led to the founding of the EU? I don't think so. Back then politicians had the Second World War and the mass crimes on their shoulders and were thinking in terms of the categories of the nineteenth century. The aim of stopping a colossus once again waging power politics at the heart of Europe by incorporating it was an important motive. I don't see a similar situation today. For some years now the Federal German Republic has been making an increasingly amorphous impression and seems to me to be characterized rather by the way it does *not* pursue any "power political" interests in the classical sense. The governments of this economically successful republic make themselves beholden to the twin imperatives that more or less every state must follow these days, namely trimming the economy to the interests of competitiveness, while making certain social concessions, so that output

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legitimacy forestalls any difficulties that might hinder domestic re-election. In this sense Germany is relatively weak, as far as its will to shape political structures is concerned. But accompanying this weakness I see a growing sense of national self-centredness; and consequently there arises the potential for disruption at the heart of Europe, which, under the present government, is for the first time seriously obstructing the unification of Europe.

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<sup>1</sup> The judgement raises several serious questions concerning the compatibility of the Lisbon Treaty (and it's accompanying laws) with the German constitution. A press release summarizing the judgment can be found here.