

## Foreword

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When I was a member of the European Commission from 1999 to 2004, I saw the evolution of Germany's role very clearly within the EU. At that time, Germany was experiencing a kind of 'normalisation': Gerhard Schröder was the first chancellor to be born after the Second World War and he dared to assert that Germany had its own national interests which were not necessarily congruent with European ones. 'German power' was back.

I remember too that during the Nice Treaty negotiations in December 2000, Germany managed to impose on the other member states, and especially on France, a 'breaking of ranks' that ensured that the number of German MEPs was aligned with its status as the Union's largest member state. It also maintained a hard line during negotiations for the EU multiannual financial framework (2007-2014). Finally, Germany played a key role in the EU's 2004-2007 enlargement to Eastern and Central European countries, which was in line with its interests in the region.

As a commissioner, I also experienced Germany's political system and its potential impact on European affairs. Whereas the EU Council meetings then gathered 15 EU ministers, I met several times in Germany with ministers from each of the 16 *Länder* in charge of Justice and Home Affairs. The principles of subsidiarity and competence-sharing are very well known in Germany compared with the EU level. I had the opportunity to represent the Commission, together with Michel Barnier, at the Convention on the Future of Europe in 2001-2002 and I can very clearly remember how the German representatives tried to give greater weight to both of those principles within the European Union's new framework. Their wish to adopt a catalogue of competences was rejected but, as regards the "shared competences", they obtained a clearer definition of the content of the European interventions.

As a Portuguese citizen, my experience of Germany's management of the sovereign debt crisis might be slightly different. Indeed, the German government has been very critical of several other member states, including my own. But one has to be aware of the huge evolution of Germany's position on financial assistance and economic governance during the Greek crisis and beyond. In fact, during the EU Convention, Germany was strongly opposed even to addressing the question of what economic governance might look like at the EU level; a decade later, it was Germany that took the initiative to promote a legal framework based on fiscal discipline. It might be insufficient in terms of coordinating national economic policies to fight against competitiveness unbalances, but it is nevertheless a very relevant evolution.

Germany's problem is not so much that it is generally right about the need for fiscal discipline but that it has to learn how to be right: this is the most difficult issue to manage from a political standpoint. German *ordoliberalism* calls for stringency, austerity, and fiscal consolidation measures, but economic growth is also necessary to reassure markets and minimise the negative effects of recession. German leaders finally understand this fact, as proven by the 'redemption pact' proposed by the 'Five Wise Men' and by recent public statements about inflation in the eurozone and about the evolution of German domestic demand.

To a certain extent, we can say that Berlin is increasingly imposing its economic preferences on others in the eurozone. But if we also enjoyed its level of economic success, wouldn't we also be tempted to persuade others of the merits of our own methods?

As president of *Notre Europe*, an organisation with a truly pan-European vision, I would like to underline that there is no doubt that Germany still wants to be strongly anchored to the European project. Chancellor Merkel's declarations are very clear in this regard, and she is even calling for further EU integration, as one can see from the resolutions adopted in the last CDU party congress, as well as in many of her other recent speeches.

Germany is experiencing its ‘unipolar moment’ in Europe: the German government and administration are not yet wholly comfortable with this situation, which carries dangers for the cohesion and consistency of the European project. Germany, in foreign policy as well as in economics, can exert decisive leadership in the EU, but it has to want this. All other member states recognise the *de facto* leadership position of Germany, but it is often reluctant to assume the full range of consequences. Moreover, Germany has to be careful not to turn its back on its European partners when using economic means to pursue its foreign policy ends.

The great interest of the EPIN Working Paper on “Germany as viewed by the other member states” lies in its presentation of the various member states’ attitudes towards Germany. It enables readers to draw several interesting conclusions and allows for EU countries to be sorted into several categories:

Many northern and eastern European countries are rather positive towards Germany’s attitude during the crisis. These countries tend to be very closely connected with Germany economically and/or have very similar cultural standards. Many eastern European countries also remember that Germany played a key role in favour of EU enlargement after the end of communism.

On the other hand, southern European countries are rather critical of the German attitude. They sometimes express very strong criticism, as they did in the case of Greece, where “Germany is synonymous with evil and responsible for the Greek tragedy.” These countries were strongly affected by the crisis and did not accept what they perceived as a lack of German solidarity during parts of the eurozone crisis.

Finally, I think it is worth noting the case of France, not only because of the special relations between both countries, but also because it is often said that if Germany and France can agree, then all countries will agree. Culturally, France is, contrary to Germany, close to the southern European countries in several ways. But both countries need each other: Germany needs France to legitimate its decisions whereas France needs Germany to carry on playing a key role in European affairs. The ‘Merkozy’ tandem has been heavily criticised: they tried to find solutions to address the crisis but it would have been much wiser if they had been more open to other EU countries and paid more attention to the role of European institutions.

The new French President François Hollande is very aware of the importance of the German-French relationship and made a point of making his first foreign visit as president to Germany to meet Chancellor Merkel. Even though they might not have the same priorities, austerity vs. growth, they both tend to have a consensus-building attitude. This could be very useful in addressing the ongoing crisis in the eurozone, in as much as President Hollande also insists on including EU institutions and other EU member states, which delights me. Beyond the financial and economic crisis, the EU is also suffering a crisis of confidence and Germany still has a major role to play in resolving it.

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