

IS EUROPE FAILING? (BOOK BY JOSCHKA FISCHER)

Nicole Koenig | *Research fellow at Jacques Delors Institut - Berlin*

This Synthesis presents the main argument developed by Germany's former foreign minister (1998-2005), Joschka Fischer, in his book entitled *Scheitert Europa?*¹ (Is Europe failing?). Fischer analyses the internal and external crises the European Union (EU) currently faces and draws lessons. He makes a fervent plea for deeper political integration and argues that only the development towards a 'United States of Europe' will prevent the EU's gradual erosion.

Is Europe failing? At a time when Europe is facing a relapse into economic recession, trends of renationalisation as well as an unseen accumulation of security-related crises in its neighbourhood, Fischer's provoking question is certainly timely. He approaches the question by reviewing the historical and political reasons underlying Europe's internal and external crises. The analysis highlights mistakes made in the management of the euro crisis and underlines the Union's important strategic deficit in foreign and security policy. Fischer draws a number of lessons from the parallel crises and links them to the difficult question of the Union's *finalité politique*: should we opt for a 'Europe of motherlands', a 'lose confederation' or will we eventually need a 'United States of Europe' to prevent Europe from failing? As a true federalist, Fischer advocates the last option and presents some of its essential building blocks.

1. The financial crisis and the 'German question'

Fischer argues that **the 2008 financial crisis pushed the EU into a deep and ongoing existential crisis and reopened the historical question on Germany's European role**. European politicians were rather slow to grasp the dimensions of the financial crisis and initially viewed it as an American problem. It was only when increasing doubts about the solidity of Greece's public finances triggered the sovereign debt crisis in late 2009 that they started to acknowledge the real implications for Europe.

The ensuing bailouts of Greece, Portugal, Spain, and Ireland were the result of stark macroeconomic imbalances which have built up within the euro area over a number of years. The Maastricht criteria failed to fuel real economic convergence and were based

on the "illusion" that an agreement on paper could replace a real centralisation of power. According to the author, Germany and France, amongst others, continue to hold on to this illusion.

Fischer underlines that **"the future of the whole EU and of the European integration project will be decided within the Eurogroup and nowhere else"** (p. 22). He mentions Merkel's prominent 2012 statement in the *Bundestag* - "Europe fails if the euro fails" - but criticises that she did not act accordingly. In 2008, Germany rejected a French proposal for a common European fund to bail out Europe's struggling banks. Berlin thus precluded a collective European crisis response with pooled resources in favour of a coordinated intergovernmental approach. Fischer views this "seemingly small step" as a major fracture in Germany's EU policy, which triggered a broader trend of renationalisation.

In past decades, Germany used to advocate a 'European Germany' rather than a 'German Europe'. It was a keen proponent of the idea that Europe balances national interests through integration. However, Fischer argues that in "the financial crisis this logic (...) has been replaced by the *domination of the creditors on the debtors*" (p. 39). Due to its economic strength, Germany reluctantly became Europe's hegemon. Since 2008, we have thus seen much more of a 'German Europe' than German policymakers would like to acknowledge. In the context of the recent crises, the notion of a 'German Europe' is intimately linked to a strict austerity course. Fischer criticises this course and speaks out in favour of Eurobonds and debt cuts. He argues that **Germany's adherence to austerity has not solved the crisis but rather moved it into the political realm**.

Hence, the global financial crisis did not only trigger the sovereign debt and euro crises, but also a much deeper **political sovereignty and legitimacy crisis**. After the collapse of the Soviet Union, the EU was seen as a hallmark of freedom, security, and prosperity. In the course of the crisis, Europe has turned into a symbol of financial expropriation in the North and prolonged economic misery in the South. As a result, we are seeing a rise of Euroscepticism and xenophobic right-wing populism across Europe. The EU is now seen as “source of all evil” whereas nation states seemingly provide trust and security (p. 14). Adding to this misperception, Europe’s legitimacy deficit has grown in the course of the euro crisis. While the European Central Bank and the heads of state or government moved to the centre stage of economic governance, the Commission was relegated to a bureaucratic support structure and the European Parliament was pushed to the side lines.

2. Franco-German friendship at a low point

Like no other continent or region, Europe is built on a variety of cultures, which creates a constant tension between unity and diversity. While providing an overview of these tensions in past centuries and decades, Fischer particularly zooms in on Franco-German relations. He points towards historical differences such as the contrast between France’s strong centralisation and Germany’s engrained regional culture. The author underlines that Franco-German tensions were at the heart of Europe’s self-destruction in the 20th century but overcoming them was and is one of the central pillars of European integration.

However, Fischer also states that **Franco-German relations are currently at a historical low point**. Previously, there was a clear division of labour: France was leading Europe politically and Germany was dominating the single market economically. With the recent crises this balance has shifted creating a lot of mutual mistrust. France views Germany as the hegemon of the Eurogroup pushing through its own interests through a strict austerity policy rather than working towards a pan-European rescue strategy. Meanwhile, Germany blames France for a lasting domestic reform deadlock.

Fischer admonishes proposals such as splitting the euro area into a stronger Northern and a weaker Southern euro. The central question in such a scenario would be: where does France fit in? France

joining the Southern euro would entail important political and economic tensions with Germany and eventually cause “the end of the Union with unforeseeable consequences” (p. 98). If France joined the Northern euro, it would have to cut off its Mediterranean side and agree to longer-term German domination in the currency area without being able to rely on a Southern counterweight. This scenario is rather unlikely.

The bottom line is that the two countries have substantially diverged regarding their diagnoses and proposed solutions to Europe’s lasting crisis. France views acting under German pressure as a humiliation and as undermining its national sovereignty. Fischer believes that **any Franco-German rescue initiative for Europe would presuppose that Germany - as the stronger partner - makes important steps towards France**. It remains to be seen whether Merkel has the necessary courage and foresight for such steps. If not, Franco-German relations risk coming very close to a breakpoint (p. 108).

3. Russia, Ukraine and the strategic void

Europe suffers from a strategic deficit in foreign and security policy. Until the Crimean crisis, this shortcoming had only been discussed in expert circles. Fischer hopes that the events in Ukraine will be a wakeup call for the Union and forge more widespread strategic thinking regarding its geopolitical situation and energy dependence. He interprets the Eurasian Union as a sign that Russia took Europe much more seriously than the Europeans themselves did. While Europe faces a strategic void, Putin’s strategy is firmly based on three goals:

- Redress Russia economically;
- Restore Russia’s global power status;
- Broaden Russia’s influence as a global actor.

Fischer suggests that **Putin strives to rebuild the old (Soviet) imperium and its sphere of influence with the means of power politics as far as possible without causing a major war with the West** (p. 114). From a Russian perspective, the time for such an imperial scenario seems opportune as the West is currently perceived as weak. The US is war-tired and forced to reduce military spending. In the recent past, it has drawn ‘red lines’ without really enforcing them. Meanwhile, the Europeans are as divided as ever and militarily disinterested. Russia thus seized the moment to violate one of the core

principles of the post-Cold War order, namely territorial integrity.

According to Fischer, Europe has to stop dreaming the dream of the peace dividend. The Ukrainian crisis forcefully reminded us that European policies towards the Eastern neighbourhood, including the enlargement policy, do not take place in a power vacuum. The author underlines that Europe still has much to offer as a model, especially in terms of its character as a peace project. However, he also believes that it needs to complement 'soft power' with 'hard power', including but not restricted to military means.

Fischer does not suggest that Europe should 'punish' Russia. He rather recommends a **"new version of containment politics"** predominantly located in the economic and ideological domains (p. 118). This entails decreasing its energy dependence; reviewing its economic priorities and reducing investment in Russia; as well as revitalising the European neighbourhood policy.

Conclusion: towards the 'United States of Europe'?

"The European Union faces the biggest challenge of its history, namely the question what its finality should look like and which shape the process leading to it should take" (p. 154). Fischer argues that the crises Europe faces call for one solution: "overcoming the small-state mentality and forging European political unity" (p. 136). He declares that the previously successful Monnet method has reached its limits and that it will not bridge Europe's widening legitimacy gap (p. 153). The author thus advocates deeper political integration leading to the eventual creation of a **'United States of Europe' based on the Swiss model**. The Swiss model is chosen as it represents a federation which unifies without artificially homogenising cultural differences.

Fischer enumerates a number of concrete elements of this federation:

- A real European government;
- A common parliament including delegated members of national parliaments;

- A common fiscal policy;
- A common debt mechanism including the possibility of debt cuts in Europe's struggling economies;
- An energy union that at least unifies the external dimension of European energy policy;
- A common foreign and security policy that complements hard with soft power;
- Real European democracy including the possibility of referendums in cases of substantial sovereignty transfer.

Fischer acknowledges that these steps would amount to a "re-foundation of the EU" (p. 155). He also notes that today's political context is not permissive and that a major Treaty revision would currently not be feasible. He thus advocates that an *avant-garde*, preferably the euro area countries, pursues deeper integration through intergovernmental agreements, which would later be incorporated in the Treaties. While the heads of state or government would form a "euro area government", a "Euro-chamber" composed of delegates from national parliaments would deal with budgetary, financial, economic, and subsidiarity-related matters.

The book closes by warning that the European integration project has never been more endangered than in the summer of 2014. Two historical "demons" have returned to the European continent: hegemony and war. For Fischer, **it will crucially depend on Germany and its indispensable partner France, whether the EU will bow to these demons and fail or whether it will develop into a stronger and more resilient United States of Europe.**



1. Joschka Fischer, *Scheitert Europa?*, Kiepenheuer&Witsch, Cologne, October 2014, 160 p.

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Hertie School
of Governance

Pariser Platz 6, D - 10117 Berlin
19 rue de Milan, F - 75009 Paris
office@delorsinstitut.de
www.delorsinstitut.de

