

## The Berlin Republic and the real end of the post-war era

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**In the post-war era, Germany has undergone a deep change almost like clockwork every two decades. In 1949, the foundations were laid for the establishment of the two German states: the Federal Republic of Germany and the German Democratic Republic; 1968–1969 was the time of the student revolt as a harbinger of the democratisation and liberalisation of society; and in 1989–1990, the process of unification took place, with all its consequences. Two decades later, another deep revision of the values is happening, as a consequence of which Germany is bidding a final farewell to the post-war epoch and its inherent certainties: its advancing society, the homogeneous national state and the faith in Europe as a solution to the ‘German question.’ This revision will not be revolutionary. However, as with the previous turning points, Germany is becoming a different state and a different society, which Europe will have to build its relations with anew.**

Germany today is a two-dimensional country. Economists from ING bank recently estimated that the financial benefits Berlin has gained over the past three years as a consequence of the European currency crisis have reached 9 billion euros. This is an effect of the trust investors have in the German economy, which translates into low interest on state bonds, i.e. the reduction in the costs of Germany’s debt on the financial markets to a minimum. The German economy, which is export-oriented and has strong industrial production structures, has coped with the economic crisis much better than other economies. The unemployment rate in October 2011 fell to a record low 6.5% level (2.7 million people were unemployed). This economic strength is adding to the country’s political strength: reforms in the eurozone are based on the German economic model. It is not surprising then that the whole of Europe – some with hope, others with fear – see Berlin as an unrivalled hegemony in a Europe which needs to recover from consecutive shocks.

The good economic results are in contrast with public sentiment, which is far from relaxation or euphoria. Germans are looking towards the future with anxiety. At the end of 2010, only 20% of Germans expressed confidence in their government and parliament, and 44% were unsatisfied with democracy (28% in 2000). “The huge success of Thilo Sarrazin’s book *Germany Does Away With Itself*, which warns of the country becoming dominated by Muslims, is a drastic sign of the bad mood and fear of the future” says Claus Leggewie, a well-known political analyst. In turn, the Berlin daily newspaper, *Der Tagesspiegel*, noted: “Something is wrong here. Germans are relatively well-off, but the feeling of injustice and uncertainty is growing.” Such bad moods may of course be seen as another confirmation of the predominance of pessimistic tendencies among Germans or fear of the ‘transfer union’, where the financial surpluses generated by Berlin will be consumed by the poorer Europe-

ans. However, the causes of the gap between the image of Germany across Europe and its self-perception, which has probably never been so clear, are to be sought deeper. Twenty years after unification, the Federal Republic is at an important turning point, which is accompanied by tension and fears. Without understanding these, it is impossible to explain the ambivalence in the image of Germany in Europe today.

## The crisis of an advancing society

Germany's fear that sooner or later it will have to financially support the heavily indebted Europe is not only a sign of its unwillingness to share its wealth with countries known for mismanagement; its deeper source is the socio-economic reality of the last decade, which has cast a shadow on the perfect indicators of growth and the trade balance. At the end of the previous century, Germany was perceived as an 'odd man of Europe', a country overwhelmed with the burden of the welfare state and economic inefficiency. The economic revival which took place in the next decade had numerous sources. One of these was the introduction of the common currency, which – owing to the stabilisation of the exchange rate, the adjustment (at least in the initial period) of the interest rates to the needs of the German economy and the consumption boom (on loans) in the Southern European countries – contributed to the perfect results of the German exports over the past few years. The EU's enlargement eastwards also brought positive effects. It was precisely exports which were the driving force for GDP growth. In comparison to 2000, the value of German exports nearly doubled. While exports and imports were balanced then, the export surplus today exceeds 200 billion euros. The second factor was the moderate wage demands from employees and trade unions. Wages had not been growing in Germany despite the increase in economic efficiency over the entire decade; they only became a little higher in 2010. Germany's competitiveness on foreign markets was based to a great extent precisely on its relatively low labour costs. Thirdly, the reforms implemented

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by Gerhard Schröder's government in 2003 as part of the Agenda 2010 package also had a positive impact. Their effects included not only a more flexible labour market but also the emergence of a large low-paid work sector, covering today 4.6 million people (over 20% of all employees). This additionally contributed to the competitiveness of German export products.

What are the conclusions of all this? The German economic success has been felt only to a very small extent among 'ordinary' citizens and employees in the past decade. The proofs of this include not only the wage stagnation but also the increasing gap between the rich and the poor. According to OECD data, financial inequality has been growing in Germany faster than in any other industrialised country. It is true that the reduction in unemployment has been beneficial to all those who had no jobs before. Nevertheless, most jobs created as a consequence of the structural changes on the labour market do not in any way recall the comfortable conditions known from 'Rhineland capitalism.' These are very often 'junk contracts' for a limited term and with no social security. Furthermore, the changes on the labour market caused by the reforms, globalisation and economic transformation are affecting not so much the poorest, but to an increasing extent the middle class. The threat of social degrading as a result of redundancy or a reduction in income is no longer something unrealistic. Falling out of the well-paid sector, where jobs are stable and furnished with all kinds of social security benefits is much more probable today than it was 10–15 years ago.

All these phenomena are part of the major revision of values happening now and can be defined as a 'crisis of an advancing society.' The post-war social and economic system in Germany was a promise of social advancement and integration to all citizens. The belief

that one's effort and education are sufficient to enable one to clamber up to higher rungs of the social ladder, and that the welfare state and the social market economy would soothe social tension and balance the financial differences was part of the myth of the Federal Republic, which was forming the mindset and the values system of several generations. Germany's success was based on the fact that this myth, at least in part, became reality and its society was called a 'welfare nation.' The emergence of a numerous middle class, forming over 60% of society, was probably the clearest manifestation of this evolution. And it was a guarantee of social peace and political stability.

Signs of the crisis of this model can be seen not only on the labour market. The widening gap in incomes has brought about a contraction of the middle class, whose incomes are measured against the value of the GDP. While in the past the prospects for social advancement were motivating people to make an effort and to take initiative, now their main motivation is to maintain the status achieved by their parents. Beyond doubt, this has a strong impact on public sentiments and generates tension. The arena for these is for example the education system, where representatives of the middle class are trying to secure their privileges (such as an advanced selection of pupils

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and the institution of an elite middle school) at the expense of the poorer and worse-educated. The German school system today is one of the most unfair in Europe (i.e. children's education depends to a very high extent on their background). In turn, in the Social Justice in the OECD report published in January 2011 by the Bertelsmann Foundation, Germany – despite its high expenditure on the welfare state – was ranked not only behind the Scandinavian states but also France and the United Kingdom.

As one can see, good economic indicators, which make such an impression across Europe, translate into social reality at home only to a limited extent. Germany, like many other Western European countries, is affected by processes of social disintegration. This led to an identity crisis in what was known as a society formed by egalitarian principles, social security and social advancement. This crisis was additionally worsened due to the fact that at the same time the German public started discovering another feature, which had long been either incompletely realised or denied—its durable multiculturalism.

## The dispute over German identity

The first generation of 'post-immigrants', people of ethnic backgrounds other than German but who were born and brought up in Germany, started playing a vital role in the public and cultural life in Germany in the recent decade. Most importantly, they perceive themselves as Germans. The past few years also saw an intensive discussion about multiculturalism and problems with the integration of immigrants, which is part of a broader European discussion in this area, which was initiated due to the attacks on 11 September 2001, and later the death of the Dutch film director, Theo van Gogh, who was killed by an Islamic fundamentalist.

15 million of people of 'immigrant' background live in Germany today. A quarter of them are Muslims. 6.7 million are foreigners, while the others hold German passports. The German political elite for a very long time brushed off the fact that Germany had been a destination for immigrants for decades. Foreigners were treated as guests who had come to Germany to work and would go back home upon termination of their job contracts. As is known, the situation developed quite differently: a vast part of former migrant workers not only stayed in Germany but also – with consent from the German state – brought their families to live with them.

Thus, although workers' recruitment abroad ceased in 1973, the immigration wave did not stop. On the contrary, the number of foreigners constantly increased during the following years.

As a consequence of denying the durable nature of immigration, no action whatsoever was taken by the state to help the newcomers integrate into society. If Chancellor Angela Merkel talking today about the "total failure of multiculturalism", and books like the anti-Islamic bestseller by Thilo Sarrazin (a former SPD member) which has sold 1.5 million copies, are stirring panic that the country will be flooded by immigrants, one thing needs to be said: excessive tolerance and cherishing the illusion of multiculturalism are not the causes of the problems. The real cause was the total failure to deal with these issues for many years. One example is sufficient: regular language courses for immigrants were introduced under the new immigration act in 2005.

Regardless of all this, the degree of immigrant integration is not as bad as the numerous voices of criticism suggest. In Germany, there is neither such tension as in France nor a parallel immigrant society on such a scale as in Holland or the United Kingdom, where the policy of multiculturalism (i.e. purposeful state support for cultural and civilisational distinctness) has been actively practiced. It has to be admitted that tension and social problems in the districts of such big cities as Berlin, Bremen or Hamburg which are inhabited predominantly by Turks or Arabs are very serious. Unemployment among immigrants is double the rate among the 'native' Germans, a significantly higher percentage of their children fail to graduate from school, and the crime rates are higher in immigrant circles. Nevertheless, the education and language knowledge indicators have definitely been improving with each generation. For several years, the German state has been conducting an integration policy, which has been recognised by international organisations. In turn, the spectre of flooding the country with immigrants is a total misunderstanding. Germany has a negative migration balance, i.e. more people leave it than come to settle in it (in 2009, this difference was 13,000). Summing up: there are no reasons for Sarrazin-style alarmism.

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covery of the durably multicultural nature of German society gives rise to inevitable questions about the definition of Germanness and the criteria of belonging to the German nation. We in Poland have got used to the assumption that a new German identity is being forged on the basis of their approach to the past, meanwhile the reality is different. This training field for Germany's new identity is its attitude to immigrants, especially Muslims. "Islam is a perfect platform onto which we can

project our problems with identity. The civilisational question which was used to distinguish the good from the bad in the past was, "Was Auschwitz something unusual?" This question today is different, namely, "Does Islam belong to Germany?" wrote a commentator from *Der Tagesspiegel*.

These issues are being discussed in Germany at various levels. One of the questions is about the place of Islam as a religion in public life and whether it should be granted equal rights to those of the Christian religions recognised by the state. Another aspect concerns the definition of the guiding culture (*Leitkultur*) and gives rise to the question to what extent German identity should be determined by cultural legacy and to what extent by political rights and civic values. Can one define oneself as a German and at the same time be a Turk or a Muslim? The discussion over Sarrazin's book, which was published in 2010, has revealed that such disputes are still not free from tension and fears. Dislike of Muslims

is increasing, and as regards tolerance of Islam as a religion, Germans are doing quite poorly in comparison to their western and northern neighbours. Although such sentiments do not contribute to successes for radical groupings, they still prove that the process of searching for a new model of German identity, adjusted to the different image of society, has just started. Along with the advancement society's crisis, it is part of the value revision owing to which the Berlin Republic is gaining a new face.

## A German Europe?

This new face of Germany is probably not seen anywhere better than in the European policy. However, the interpretations of this change are often completely different here, as well. Some are focusing their attention on Germany's relinquishing European idealism and embarking on a tough *Machtpolitik*, which makes "Europe dance to Germany's tune" (Charles Grant). Others think that it is the other way round: Germany does not want to assume responsibility for Europe and is burying its head in the sand as the problems are getting worse (as the famous historian, Niall Ferguson, put it in *Der Spiegel*). It seems unquestionable that the belief that extending European integration is in the interest of Germany is now much weaker, since this belief has been deeply entrenched in Germany for decades. As has been the tacit pro-European public consensus, which in the past decades allowed the German elite to make brave steps, such as the introduction of the euro or the EU enlargement eastwards, without the need for the citizens to become overly engaged. The latest surveys conducted by the Allensbach Institute show the scale of changes in the public attitude towards Europe. In 2002, 49% of Germans expressed confidence in the European Union, while in October 2011 this figure stood at only 24%. The same percentage of them believe that EU membership is beneficial to Germany, while as much as 33% state that the negative consequences prevail. Since June, the percentage of those anxious about the way the situation is developing in the eurozone has grown from 41% to 55%, and the dissatisfaction with the government's policy on the EU has leaped to 58%.

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This picture gives food for thought: Europe is looking increasingly often with anxiety rather than hope at the prospect of German hegemony, while the predominant belief in Germany is that the European Union, which once served German interests, is today heading in a dangerous direction. If the external world sees the spectre of a 'German Europe,' Germany

seems to be claiming that a Europe like that has just come to an end. These two perspectives have probably never been so dramatically different before.

It is really true that the situation in the European Union over the past three years (since the beginning of the euro crisis) has not been developing in the way Germany would prefer. It needs to be admitted that it is Germany who deals the cards in negotiations regarding assistance to countries facing the risk of bankruptcy, it is Berlin which has an immense impact on the debate on the eurozone's institutional reform and it is under dictation of Angela Merkel that budget cuts and savings programmes are introduced in Southern European countries. However, this is only a fragment of the entire picture. It is not of less importance that for the first time in the history of European integration the deep changes taking place in the European Union as a consequence of all these developments are not at all an effect of German visions and strategies but rather a need of the current moment, which is accepted by Berlin unwillingly and reluctantly. In the case of the previous integration milestones, namely the introduction of the euro or the subsequent enlargements, Germany was the

driving force and was acting in full compliance with its own interests. The situation today is different: the European Union is heading towards a fiscal union, while it is in the German interest not to push this process ahead but to limit its impact on the German economy and politics. In this sense, the image of Germany imposing its will on others is at the same time true (for it is difficult to negate its influence on the decisions taken in Brussels) and false (because the real driving force behind these changes is the pressure from financial markets and the crisis, which makes dramatic steps necessary).

A Europe in a new form emerging from this crisis fails to meet German expectations completely. Germany has never supported an economic government in the EU, the need for which is occasionally mentioned today. The German model of a currency union provided for a strict budget discipline, complete independence of the central bank and the no bailout principle. A currency union built on such foundations was to lead to a convergence of the European economies in the future. The euro crisis has shown that this was an illusion and that a union based on a common currency alone needs a second pillar, namely coordination of the economic policies of the member states. The German solutions according to which the European Union has so far been built no longer work. The no bailout principle? As the 'rescue umbrella' in the form of the European Financial Stability Facility has been created, this principle is no longer valid. A complete independence of the central bank's monetary policy from the requirements of economic policy? Since the European Central Bank has been buying up the bonds of Greece and Italy, both of which are facing bankruptcy, this German axiom has fallen into ruins as well. The German export-oriented economic model as an example to be followed by the EU as a whole? The recent crisis is a perfect illustration of how dire the consequences of an economic imbalance in the eurozone can be (some, like Germany, have export surpluses, while others are up to their ears in debt with them). Austerity as a remedy for Europe to get up from its knees? Now it is clear that this is not enough. The threat of a worsening social crisis in Southern Europe due to budget cuts is causing the need for the development of a new Marshall Plan, for which Germany would also have to pay, to be mentioned increasingly frequently.

Is this a way to a 'German Europe'? Certainly not from the point of view of Berlin, which is rather convinced that the European Union, which it has been steering quite easily so far, is getting out of its control now. This subjective belief is a crucial component of the situation Germany has found itself in: in addition to the redefinition of the social model and national identity, a shift is also happening in its approach to Europe. The challenge all this is posing has also another, not less significant, dimension, which concerns the democratisation and legitimisation of the decisions taken at the EU level. Given the recent decisions of the Federal Constitutional Court, it is almost certain that the next steps in European integration will require the constitution to be amended; in its present form, transferring any major competences to a supranational level would violate parliamentary rights, a sanctity in democracy. Will the citizens approve of this change? For the first time in history the German elite are having to deal with the difficult task of becoming engaged in a political debate on Europe with the German public, without which it will be impossible to restore the pro-European consensus. The times when consent for extending integration was implicit are over.



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