

Germany's drive for Eurozone political union underlines the inadequacy of culture-based conceptions of integration

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Throughout the economic and financial crisis, Germany has stood by the euro, contributing the most to the EU's bailout programmes. At the same time, the country has continued its gradual rise to power.

Anthony Salamone argues that Germany's insistence on providing financial assistance on condition of political union in the Eurozone illustrates that European integration remains a question of states' national interests, rather than the building of a common identity. He suggests that Eurozone political integration will deepen divides between euro and non-euro states, which could pose problems for the EU as a whole.



On her one-day visit to London last week, German Chancellor Angela Merkel had the special honour of addressing both houses of the UK Parliament in the Palace of Westminster's Royal Gallery. Despite the great anticipation surrounding her [speech](#), she downplayed any notion that she would please either Eurosceptics seeking concessions on future treaty negotiations or Europhiles hoping to counter such efforts. In any case, UK Prime Minister David Cameron will need the support of the German leader in order to have any chance of reforming the EU's architecture.

Behind the high-profile show lays a latent political discourse which is indicative of the changing power dynamics in Europe. Germany is on the rise, a fact which, notwithstanding its historic hesitation, it is beginning to [embrace](#). This trend is no clearer in evidence than in the country's central role in the EU and the Eurozone. Its resolve has been tested throughout the economic and financial crisis, as it has borne the greatest burden in the bailout programmes for Eurozone members in need.

In this respect, it has expressed a strong desire to maintain both the integrity and the membership of the single currency. Yet the Eurozone bailouts represent a convincing case for the efficacy of interests-based arguments for European integration over culture-based ones.



David Cameron and Angela Merkel on 27 February 2014, Credit: Bundesregierung/Bergmann (CC-BY-SA-3.0)

When thinking about the motivations behind countries agreeing to European integration, both in their initial decisions to join the EU and in subsequent rounds of its widening and deepening, several types of explanations come to mind. Two of the principle strands of argumentation are situated in interests and in culture. The former contends that states have signed up because they have perceived being part of the EU to be in their own national interest, while the latter posits that states have agreed due to a desire to create or to recognise a common European cultural community.

In order to judge which of these reasons seems more plausible in light of the Eurocrisis, one can consider the bailout scenario as it happened in Germany. During the depths of the crisis, the Eurozone was called upon (in addition to help from other sources, such as the IMF) to assist some of its members with their unsustainable sovereign debt levels or banking problems. All of the Eurozone's assistance programmes, including the European Financial Stability

Facility (EFSF) and the permanent European Stability Mechanism (ESM), are funded proportionally based on the size of the contributors' economies. Germany, as the Eurozone member with the largest economy, contributes the most (it holds 27 per cent of the [shares](#) of the ESM).

If the cultural argument was most indicative, then one would expect a groundswell of German public support in favour of providing financial assistance to fellow European countries in need. This could include calls to move beyond the idea of long-term loans and instead to provide direct cash grants. The approach would be one of 'solidarity', led by the spirit of friendship and common identity. However, this is not what happened. Calls for solidarity were made and tacit public support was offered, but not at the levels expected under a culturalist interpretation of European integration. At the same time, while political elites in general offered greater support, German public opinion on this issue was less enthusiastic (in February 2012, opposition in Germany to the second Greek bailout was as [high](#) as 60 per cent). Politicians may rely on cultural rhetoric to support their actions, but such values do not seem to be internalised in the public.

Instead, the interest argument best explains the evidence. Public opinion on the Eurozone bailouts could be read as being sceptical because the German people did not believe the bailouts to be in their interest. The notion of 'why should we have to spend our money helping others fix their own problems?' is by its very nature based on a conception of self-interest.

In the face of public disaffection with the massive Eurozone bailouts, the German coalition government recognised that its people would not support giving such aid simply on the basis of shared cultural identity. This assistance would have to be conditional, not only on the internal management of the recipients' economies, but on political integration in the Eurozone. Political union is seen as the only way in which the German government can sufficiently legitimise its actions undertaken in the present political framework.

Further integration is designed not only to increase the democratic character and accountability of the European Union. The further transfer of powers to the European level by euro countries gives Germany itself more control over the macroeconomic situation of the Eurozone, since it holds the greatest influence over the bloc. Political union appears to satisfy both the purported need to imbue the EU with a stronger democratic authority and the German desire to more actively manage the Eurozone so as to ensure its stability. At the same time, it justifies *ex post facto* the financial intervention of countries such as Germany in the recipient states.

Some steps at increasing integration in the Eurozone have already been realised in the push for fiscal union and the banking union. Germany has made it clear that it wants to incorporate these arrangements into the EU treaties, which is probably the only reason it would agree to treaty change in the near future. Presumably more political integration for the Eurozone, in forms not entirely known, is yet to come.

The principal challenge to an interests-based explanation of developments in the Eurozone questions whether the euro is itself an economic project or a political one and therefore, if it is simply a political effort, how could it be in Germany's interests to pour political and economic resources into saving it? Germany has seen economic benefits from the euro, such as reduced transaction costs, which have made many German businesses more competitive in European markets, for example.

However, leaving the net economic benefit or loss aside, Germany has key *political* interests in ensuring the euro's survival. Its failure could have undermined confidence in the EU itself, which would have been detrimental to economic, if not political, stability. Germany has very effectively used the development of the European Union to legitimise its own position and return to power, and the collapse of the euro would have undermined this process.

Consequently, even if the euro is a purely political project, Germany has seen it in its interest to stabilise it. That support has come with the expectation of political integration. Needless to say, political union in the Eurozone would deepen the divide between euro and non-euro countries in the EU. Whether this split results in the so-called 'two-speed Europe' or otherwise, the resultant disparities would have to be addressed in order to maintain the cohesion

of the European Union. In the end, the calculus may ultimately come down to what countries consider to be the heart of the EU – the single market or the single currency. For the UK, it is clearly the market – for Germany, it would appear to be the euro.

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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