Queen Europa

Angela Merkel is tipped to retain power in Germany, but Almut Möller believes her 'no alternative' mantra will be open to challenge

ANDRÉ CARRILHO

With federal elections taking place in September, a visitor to Berlin might expect the city to be a hotbed of controversy, with a lively campaign to challenge the policies of Angela Merkel, and to present rival visions for the European Union of the 21st century.

Berlin is at the heart of a drama that still has the potential to tear the eurozone apart. Major decisions need to be taken on far-reaching proposals for banking union, and to turn the currency area into a sustainable economic and monetary union.

But the visitor to Berlin will find the city weirdly detached from this political drama. As usual, Berliners have disappeared for their summer holidays. Most of the electoral battles are being fought not in the capital, but in constituencies across the country. The euro is absent. The talk is of snooping by US and British Intelligence, the cost of energy, and a drone that would never have flown in German airspace.

Since the euro crisis began, many governments across Europe have been swept from power. France last year saw a presidential campaign heavily focused on Europe, and calls for alternatives to austerity have grown ever louder. So why is it that Germany, the country that is key to solving the euro crisis, seems immune to this polarization of views on the future of economic and monetary union, and the European Union as a whole?

Partly it has to do with the opposition Green and Social Democratic (SPD) parties struggling to differentiate their euro policies from Merkel's coalition government of Conservatives (CDU, CSU) and Free Democrats (FDP). Both Greens and the SPD supported all the major euro rescue measures. Germany does not – yet – have a strong anti-euro or nationalist party in the Bundestag . The Left Party, a stronger critic of the government, recently confirmed its overall commitment to the common currency. And newcomers, such as the anti-euro 'Alternative for Germany' party, get a lot of media attention but have yet to prove their potential at the ballot box.

Meanwhile, Germans are still not feeling the pinch. On the contrary, they continue to hear good news about strong exports and high employment.

Their country is courted by the world's most powerful leaders – within a month, both Premier Li Keqiang of China and US President Barack Obama visited Berlin – and they really feel that Germany is contributing to alleviate the woes of their fellow Europeans in other eurozone countries. From a tactical point of view, the coalition government would be mad to spoil this general mood of complacency by addressing the downsides of the 'German model' for fellow eurozone countries in the midst of an election year.

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The lady polarizes international commentary and, for many observers abroad, she is the key to explaining German power. But arguably, there is too much focus internationally on the Merkel factor. She has in fact benefited from a favourable economic and political environment and a set of circumstances only partly shaped by her government.

At the moment three of Germany's major political battlefields are in rare state of overall agreement – nuclear power, the shape of Germany's social-market economy and its role in global security.

In 2011, following the Japanese nuclear reactor disaster, Merkel's government decided to abolish nuclear power, a measure passed by a vast majority in the Bundestag.

This was an opportunistic move to reap the benefit of decades of campaigns by civic movements and the Green Party, and of previous steps undertaken by the coalition of SPD and Greens under Chancellor Gerhard Schröder.

A decade ago this same 'red-green' coalition pushed through the then heavily contested 'Agenda 2010' to modernize the German economy.

The eventual success of this programme

helped the Merkel government to guide Germany through the crisis.

And, finally, Germany's abstention at the UN Security Council on Libya in 2011 and its reluctance to arm the Syrian opposition created trouble for Berlin with its European and transatlantic partners, but its effect domestically was to start healing the wounds of Germany's engagement in Afghanistan.

As a consequence, most Germans do not feel particularly challenged on fundamental political questions. Economically, they feel strong. And they have placed their trust in the Chancellor. The type of politician that Angela Merkel represents – diligent, hard-working, responsible and modest – generally goes down well with the German public.

She may have found her negotiations in Brussels to be the more challenging part of her job, but at home, she has become the trusted defender of rules and modesty, a recipe that was perceived to have worked in Germany and that could only be good for the rest of Europe. Suggestions that Germany is increasingly seen as playing to its own interests and lecturing others, while ignoring the fact that sooner or later it too will be hit by the crisis, are often met with astonishment in Germany.

In June this year *The Economist* described Merkel's Germany as the 'reluctant hegemon', a phrase which encapsulates the fascination abroad with German leadership. In 2009/2010 Germany was blamed by fellow European countries for being too hesitant to lead. And then, when it started to lead in 2011, there were complaints about both style and substance of German leadership; 'damned if you do, damned if you don't' is the view heard in government circles in Berlin. The opposition often voices criticism such as 'Too little, too late' and 'in the wrong direction'. But there is no real punch to this line of attack.

It has become a commonplace to depict Merkel as lacking a vision for Europe. She is certainly reactive rather than pro-active, which is a general feature of her style of policy-making. Her narrative is less European-focused and more global. Germany, yes, is bigger than many of its European neighbours, but it is bound to this continent in relative decline, and globally will become a dwarf without a strong Europe.

For her, the EU is a vehicle for cooperation and not a means in itself. This German Chancellor does not have an integrationist reflex. In the world of Angela Merkel there is a strong role for governments and inter-governmentalism. She has tested her strength and negotiating skills in permanent summitry over the past years, surrounding herself with a small team of loyal civil servants from the federal chancellery. She has learnt that both the economic strength and the size of Germany matter in this setting, and that the issue of the power of the individual states in Europe has never disappeared, despite decades of integration.

This raises an interesting question about her origins in East Germany. Does she, unlike politicians from the West, lack an intuitive understanding of when she is stretching German power too far? There are a number of signs that she has not quite found the right balance; smaller countries, for example, may agree with her on substance but now feel marginalized by the heavyweights. Another Chancellor might well take a different approach.

If she is re-elected, as opinion polls suggest, Merkel is unlikely to present a fully fledged vision for a more integrated economic and monetary union. She is not the 'guardian angel' of a federalist Europe. But with a renewed mandate she will have more leverage to do what it eventually takes to save the eurozone – a rescue plan carefully balanced with German interests.

What if Merkel loses? In the past the understanding has been that on Europe there is, like in foreign policy, a broad consensus. But these past years have meant that European affairs have been politicized to an unprecedented degree. Travelling to Brussels for eurozone members is no longer about rules and technical treaty amendments; the issue is what kind of economies and societies the member countries want to build for the 21st century and what role the union will play in it. Political orientation matters on Europe, as it does in the domestic context, and this would be particularly relevant if a coalition of the SPD and Greens made it into power.

Angela Merkel is a leader who surely understands this new battlefield – and this is why the mantra of 'no alternative' she has used to pacify most of the German public up to now is misleading. What leaders discuss at the negotiating tables in Brussels is about fundamental choices on economic and social policy, and much of the German public still has to wake up to this new power game.

Almut Möller is head of the Alfred von Oppenheim Centre for European Policy Studies at the German Council on Foreign Relations (DGAP) in Berlin