## Disabused of Great Expectations? (Don't) Hold your breath for Germany's election

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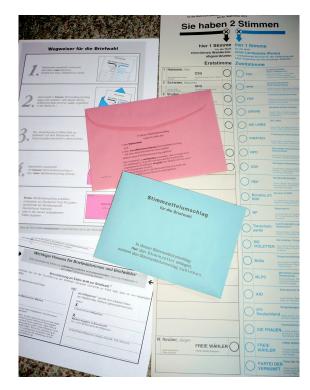
By Max Hänska

Those who were lucky enough to enjoy a vacation from the euro crisis this summer might partially owe this pleasure to the prevalent notion that all will be different after Germany's election. "Then," some might have exclaimed, "we will see decisive leadership in the Euro Crisis, Germany will agree to transfers and stimulus spending, the banking union will be completed, Germany will foster domestic demand, and generally be forthcoming to its European partners." Followed by a muted: "We hope," muttered under their breath.

Though it seems likely that Merkel will remain Chancellor, it is less clear with what coalition she may govern and which policy agenda that coalition will negotiate. But forecasting the election is not necessary to come to an assessment of where the election outcome will leave Europe. European hopes and expectations of what Germany may or may not do are often at odds with Germany's self-image and its own ambitions.

No matter who wins the election, Germany's understanding of the crisis will likely remain different to that of many other Europeans. While the demand for a European recovery package (stimulus) and the hope that rising wages in Germany may increase demand and reduce relative-competitiveness is widespread in Europe, Germans tend to believe that it is precisely wage-restraint and reforms that are responsible for its economic success. German received wisdom, right or wrong, is that this is a debt crisis, and to overcome it one must first reduce debt and reform, not borrow and spend. It seems unlikely that a post-election Germany will take a different view on the matter. After all, the hope is that German public discourse about the crisis and its attendant economic wisdom, that is now so well entrenched in Germany, will change. Here it is not an election that will make the difference between patching a leaky European ship and decisively fostering its convalescence, but careful and attentive European public diplomacy that works towards a common understanding of the crisis and what is at stake.

The hope that Germany's election may be a turning point for Europe also overlooks the chasm between German electoral concerns and European concerns. European concerns are conspicuously absent from the electoral menu: A banking union, transfers and pro-growth policies for Southern Europe, or European foreign policy are not prominent issues in this election. Germany seems more concerned with domestic issues: demographics, aging and pensions, for instance. Questions about the right pro-natal policy mix, particularly questions about parental provisions, are prominent. Or issues around rising internal inequality, the promise to introduce a national minimum wage being one of the SPD's flagship policies. The energy transition, its costs, the nuclear energy question and rising energy prices also appear to be hotter topics than a European recovery package. To the rest of Europe Germany may look like an untroubled and prosperous place, but that is not how it feels for many Germans. Rather than projecting Europe's hopes onto Germany, we may want to start by better understand what concerns Germany.



Similarly, the desire for German leadership probably runs counter to Germany's own European and international ambitions. While some

complain that Germany does not lead Europe, and sometimes put this down to a lack of strategic thinking, others accuse it of hegemonic ambitions, pointing to its insistence on painful and sometimes counter-productive reforms as well as low (or even negative) bond yields that it has benefited through the crisis. Yet the truth is probably more closely captured by Beck's notion of the 'reluctant hegemon.' Germany's international ambition since 1945, and to the present, was to become a 'normal and politically equal' member of the international community. Germany is reluctant to lead, because its aspiration is to be equivalent rather than hegemonic. The Franco-German tandem in European affairs was convenient for Germany because it acted as an equal, not a 'leader' (the German word Führer has probably been morally tainted for good). Thus the lack of German 'leadership' through the crisis might have more to do with the German self-image and the country's aspirations, than with its pre- and post- September government.

Germany may be indispensable to Europe, but great expectations about the forthcoming election should be disabused. They do not chime with the most prominent concerns of the German electorate, with its dominant understanding of the crisis or indeed with Germany's self-image itself. If Europe needs concerted action, it also needs a common assessment of the problems it faces and the remedies it needs. Perhaps the federal election on September 22<sup>nd</sup> is an opportunity for Europe to better understand what makes Germany tick.

Note: This article gives the views of the author, and not the position of the Euro Crisis in the Press blog, nor of the London School of Economics.