

Sir Paul Lever, author and former UK ambassador to Germany, explains why Germany, Europe's "reluctant hegemon", has only limited policy ambitions in the European Union.

Members of the AEJ's London Section were given an in-depth analysis of Germany's role and limitations as the EU's dominant power at their lunchtime meeting on Monday June 25th when Sir Paul Lever, UK ambassador to Germany from 1997 to 2003, elaborated on themes in his critically acclaimed book, "Berlin Rules: Europe and the German Way," first published in March 2017.

Sir Paul's central point was that Germany will exercise leadership of the European Union as a "status-quo" power, determined to support its own national interests while anxious to preserve what has been achieved at EU level and especially the euro as a sound currency. In consequence, he forecast that Germany would show no appetite for any "great leap forward" towards greater integration in the EU as advocated by France's President Emmanuel Macron.

Because of the strength of its economy and the stability of its Social Market economic model, he said Germany is the EU's undisputed dominant power and has provided all the solutions -- such as they are -- to the challenges that have confronted Europe in the 21st century.

Germany's dominant position in the EU is bolstered by an unprecedented concentration of German nationals as senior civil servants in the European institutions. Germans hold the top civil service posts in the Commission, the Parliament and the EU's External Action Service. And while in general, Sir Paul spoke highly of Germany's civil servants, he said the recent appointment of Martin Selmayr as secretary general of the European Commission without proper process, scrutiny or accountability was a scandal.

Despite its dominance, Germany is a very reluctant hegemon. According to Sir Paul, Berlin provides no clear vision of the future. Although Europe can be seen as Germany's "state religion" with successive German governments setting a goal of political union in the EU, none has provided a blueprint. Instead Germany pursues European policies geared to upholding its national interest and this boils down to safeguarding its economic strength.

German policy priorities include preserving the EU's single market in goods (with no interest in services) and the euro as a strong currency, while resisting proposals for a large EU budget, or EU debt or a "transfer union" which would send financial support from the richer northern European countries to the weaker euro members in the south.

Sir Paul suggested that Germany's EU priorities were one reason German Chancellor Angela Merkel failed to back former UK prime minister David Cameron in his pre-Brexit quest for limits on EU migration into the UK. Germany feared such a weakening of the EU's so-called "four freedoms" could serve as a precedent for any EU member state that might want in future to limit the import of German-made goods.

Since then, changes in Europe have raised the question as to whether German dominance of the EU can continue in its present form. Reviewing developments since publication of his

book, Sir Paul noted how Germany faces challenges from French President Macron's ambitions for greater integration of the eurozone and the upsurge of nationalism, populism and general dissatisfaction with the EU in Italy, Poland, Hungary and elsewhere.

Although Germany has not experienced political upheavals akin to those in France, Italy and Brexit Britain, its political order had been shaken. A far-right party - the AfD - now occupies more than 90 seats in the Bundestag. The current Grand Coalition government - formed as before of the Christian Democrat/Christian Social and Social Democrat parties - is a coalition of losers, created only after six months of difficult negotiations. Chancellor Merkel's authority is weakened and her future unclear. At the time of Sir Paul's talk, she was embroiled in a bitter dispute over immigration policy with Horst Seehofer, Germany's Federal Interior Minister and chairman of the Bavarian CSU, that was fuelling doubts over the survival of the long-standing alliance between CDU and CSU, and of Mrs Merkel as chancellor and the present German governing coalition itself.

Sir Paul argued that Germany's political class is ill placed to deal with a resurgence of nationalism in Europe. Germany is a "land without a past". Having experienced total defeat in 1945 and started again from "zero hour", it celebrates nothing in its past. As a result, many Germans are insensitive to national feelings like those so evident in the UK and growing in central Europe. Its politicians saw no advantage in making Brexit easy for the UK.

In the course of a lively and wide-ranging discussion, Sir Paul noted how Germany's position as a status quo power with huge current surpluses on its trade in goods also creates an underlying dilemma in its policy towards the eurozone. Logically, its surpluses and high domestic savings rate had to be matched by deficits elsewhere which its policies opposed.

Sir Paul said he had been surprised at how tough Germany had been towards Russia, supporting sanctions despite strong commercial interests supporting good relations with Moscow. However, there is little chance Germany will boost its defence spending from the current 1.2% of GDP to the NATO minimum target of 2% as demanded by President Trump. Instead it will continue "to kick that can down the road".

He argued that Germany - unlike the UK - deserved recognition for having consistently been frank about its unwillingness to see Turkey become a full member of the EU. Such reservations did not apply to the western Balkan states although their EU membership would require time and resolution of outstanding territorial issues.

He disclosed that Germany's policy towards Israel -- of making safeguarding its security a fundamental interest - had enabled the German secret intelligence service (BND) sometimes to provide a back channel for communications between Israel's Mossad and the PLO and Hamas.

"Absolutely not" was Sir Paul's firm reply when asked whether Germany might become a spear carrier for anti-immigration and racist sentiment in Europe after the massive influx of refugees into the country in 2015. Neither the German government nor the German public would back such a stance while the AfD, although unwelcome and graceless, is not a neo

Nazi party of the extreme far right. "Democracy is alive and well in Germany and it is a liberal and tolerant democracy that is an example to us all," he concluded.