

# The anatomy of the German process

**The pandemic has forced social democratic convergence in the German coalition, reversing the financial and geostrategic orthodoxies of the EU. Merkel may have got it right but she faces two structural dynamic processes that will dictate the real value of her legacy.**

Angela Merkel was at the Bundestag last week to present the priorities of the German presidency of the European Union (EU). Predictably, she focused on the management of the pandemic and the effects of an economic recession on a continental scale. Her words were also accurate: "the anti-democratic, radical forces and authoritarian movements are just waiting for an economic crisis to take political advantage." Not exactly an original analysis, but it nevertheless represents another added demand for the German semester; it cannot disappoint expectations and it has the obligation to lead a convergence of positions within the 27. There is a need to agree on the amounts of support for employment programmes, for social protection and for the recovery of the economies, and also to accelerate the calendar to make sure the EU funds arrive on time to the real economy. All this is yet to be achieved, one week before the start of the German presidency .

What, then, is the potential advantage to be gained from German leadership on these points? First of all, to give impetus in the right direction amidst the heterogeneous European dynamics, thus accelerating the demanding decisions. The times are not suited to ceremonies or compromising postponements, and Merkel has been exemplary in this role. It helps to have pragmatized the relationship with Macron, later extending the arc of member states involved, and to have a very close relationship with the President of the European Commission.

But this leadership also happens because the guidelines within the German grand coalition have lined up differently. The SPD has abandoned financial orthodoxy in relation to the EU; the foreign affairs minister's and the chancellor's speech is aligned on the overlap of German and European interests; the economy has a CDU heavyweight capable of looking at the historic fall of 31 percent in exports in April, a sector that employs 28 percent of Germans, and still supports community

plans for the rapid recovery of the common market; and health also faces ambitious policy plans from the CDU, which, helped by the financial surplus of the sector, did its best not to make mistakes or create disorder in the coalition. At the top, President Frank-Walter Steinmeier has provided speeches of great quality and wisdom, using the tone demanded of decision-makers in this delicate and historical European moment. It is this social democratic consensus, which many here [in Lisbon] mistake for fake centrism, and which has been revolving around Merkel since the 2015 refugee crisis, that has been holding Germany through this crisis and contributing to a much more constructive European reaction than the one we saw in the last financial crisis.

Another change in the German internal debate relates to the defence sector, perhaps the most sensitive domestic policy issue after immigration. At the moment, its budget is the largest since the end of the Cold War. It is far from reaching the commitment made in NATO, to reach 2% of GDP in 2024, and is no comparison with what the French or British invest. Yet, the German effort in recent years has been to confront the demons of history and the demands of regional power in an international disorder characterised by latent aggression between major powers. Simply the fact that Berlin today has soldiers stationed in Lithuania or a fleet in the Baltic on a NATO mission is an extraordinary bid for confidence among Europeans. The question that the pandemic raises is whether these defence budget reinforcements are sustainable or politically achievable. This is true for Germany, as it is for all other European countries who face the permanent threat that Trump will cut off lasting cooperation, assistance and protection.

The most recent example of this behaviour happened a few days ago, when the American president announced the departure of ten thousand soldiers stationed in Germany (out of a total of 35 thousand), without any coordination with Berlin, or even with the Pentagon and the State Department. The issue here is not even the number – between 2006 and 2018, the US decreased from 72,000 to 35,000 men in its 37 military installations in Germany. It's the puerile way it was undertaken; punishing Merkel's refusal to go to the G7 at Camp David, and propagating yet another lie for election purposes (that it would save the American taxpayer money). Three things need to be said on this matter.

First, a bilateral or multilateral military alliance is not an economic transaction. In fact, it comes cheap for the American taxpayer, since the bulk of the costs in the top military and hospital facilities (for American enjoyment) are borne by the German budget, just as is the case in South Korea or Japan. Second, the US maintains this level of presence not for the territorial defence of Germany, but to be able to project its strength and influence in the Middle East, Asia, Africa and the eastern border of Europe. It is in Stuttgart and Ramstein that the key operational commands for their global strategy lie. True logistical platforms, to support exclusively national or NATO missions and to aid civil crises caused by natural phenomena. From a financial point of view, this has been great business for Washington; from a political angle, it has helped the US to project a radial foreign policy in various regions of the world, not necessarily intervening, but certainly deterring. The third point: Trump has legitimacy to reverse this internationalist tradition, but if he has done so in this "cry-baby" way with Germans, he could do worse with any other ally. In the end, it only burdens American security and allows room for direct adversaries to fill strategic gaps.

Merkel was right not to waste too much time on the matter, surely because the pandemic and European policies take priority. Trump essentially wanted to divert her from these issues and force her to notice him. Covid-19 has huge destructive power but Trump is also exhausting. The great European dilemma, however, might not only demand dealing with this president a few more months, hoping that Joe Biden wins and changes everything. Politics cannot be conducted on hunches, and although the democrat can defuse the climate, the truth is that Trump is already the third consecutive elected president to have reduced global commitment.

It is therefore likely that this trend will continue, even more evolved in some cases, regardless of who wins in November. This means that in Europe we will all have to do more: more for our security, for our external credibility, for the stability of our neighbourhood. Here too, Covid-19 will not make things any easier.