

Contemporary history

A European solution for the European crisis

Interview by Maximilian G. Burkhardt and Martin Thureau



Source: John Kolesidis / Reuters / Corbis

“The euro isn’t just a medium of exchange,” says historian Andreas Wirsching, who traces the long lines of development within the contemporary history of Europe. Further integration will bring the present crisis under control – and generate new ones.

It’s autumn again in Europe, and Greece remains mired in crisis. What is wrong with Europe?

Wirsching: Europe is suffering from a deep-seated debt crisis, which is no longer confined to Greece. European states have been spending too much for decades, and the introduction of the euro enhanced this trend, primarily because it brought low interest rates with it. Mediterranean countries benefited from this to a degree that was out of line with their real economic strength. These two trajectories have come together.

Four options are on the table: a Greek exit from the EU, Eurobonds, a return to the old currencies, and the creation of a “core Europe” by the countries of the northwest. Which do you favor?

Wirsching: There won’t be a single solution. The processes that propel a crisis and the – often inadequate – efforts to resolve it always interact. That is how post-war Europe was drawn closer together. However, Europe’s current plight is of a different order.

What about a radical expulsion of Greece?

Wirsching: It sounds like a plausible suggestion at first, but the price we would all have to pay could well be far higher than Greece’s total debt. If one dismantles the euro in a single country,

this becomes a possible option for others too. And that could ultimately mean the end of the euro. It is not a matter of amending a few treaties. A new form of statehood has emerged, and one can’t simply turn the clock back. In some respects, members of the EU now share a common destiny, to use a rather grandiose term, and this is a state of affairs that Germans have worked for politically and have democratically legitimized. One must now live with the consequences. I believe the solution is more likely to come from the application of a variety of monetary measures – Eurobonds, bond purchases by the European Central Bank (ECB), a licensing system for banks in a European Stability Area. But mutualization of debt must be strictly limited, and should on no account be allowed to let individual countries avoid their responsibility for their budgetary situation. Rigorous controls are of the essence.

You have said that the financial rules for the euro area are all set out in the Maastricht Treaty. If all had abided by them there would be no euro crisis. What makes you so sure that member states will be more prudent in future?

Wirsching: It’s not a matter of trust anymore. We have a huge debt crisis in the West, and financial power is rapidly shifting toward the Arab states and China. We have to face up to these realities.

Can Germany ever reduce its debt levels without resorting to inflation? In the end, bond buying and the other measures boil down to printing more money.

Wirsching: That is true, and it is a risk that applies particularly to the acquisition by the ECB of risky government securities. And, by the way, at 80% of Gross Domestic Product, Germany’s own indebtedness exceeds the limit laid down in the Treaty of Maastricht. Debt servicing is the second largest item of expenditure in the Federal budget. And if new liabilities were to arise in connection with mutualization of European debt, it is difficult to imagine how such a burden could be borne without inflation.

You favor retaining the euro. How do you reply to those in Germany who loudly proclaim that Europe doesn’t need it?

Wirsching: Europe has come a long way on the road to monetary union. We cannot break off the experiment, because we are constrained by the path we have taken. Not only would the economic consequences be incalculable, a drastic revaluation of the *Deutschmark* could lead to the total collapse of our exports, and the political costs would be very high. The present situation is reminiscent of Germany’s position in Europe during the Wilhelminian Period, which has been referred to as “semi-hegemonial.” The German Empire was so powerful that

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coalitions formed to keep it in check, but it was too weak to impose its will on the rest of Europe – quite a plausible explanatory paradigm for the genesis of the First World War. Today, Germany insists on strict observance of the provisions of the Maastricht Treaty but, despite its economic might and financial muscle, it is not strong enough to enforce such compliance. Germany has no option but to follow a genuinely European policy – which was the Federal Republic's *raison d'état* prior to 1989. The euro isn't just a medium of exchange, it is also a political currency.



Source: Jan Greune / LMU Munich

We also have a crisis of legitimation, a cultural crisis, a demographic crisis. How many crises are there in the crisis?

Wirsching: A whole bundle. Europe's demographic structure threatens its future, and changes in family policy will not suffice to meet this threat; that will require a certain amount of controlled immigration. The effects of a structural

lack of democracy associated with the further integration of Europe are another colossal problem, which is greatly exacerbated by the euro crisis. As more powers are transferred to the executive organs of the EU, national parliaments, the legitimate representatives of their electorates, are being forced into a purely notarial role, rubber-stamping decisions that have already been implemented. This reflects a general trend in modern parliamentarianism. I do not think that this process can be properly democratized.

Economic elites have long argued that the admission of Turkey to the EU would help solve the demographic problem. A majority of voters in the member states opposes such a move. A clash of cultures?

Wirsching: The question of the admission of Turkey is not just tied up with immigration. It involves a redefinition of Europe. During the Middle Ages and the Early Modern Era, Islam represented a kind of Anti-Europe, which required an armed response. It would, however, be wrong to conclude from this that Europe and Islam must remain incompatible for all time. Some 16 million Muslims live in the EU, they are part of Europe. To deny that fact would be politically unwise and dangerous, and it ignores history. There has always been interchange, adaptation and migration in Europe. In this sense, Europe has had to reinvent itself many times.

You argue that one should not dismiss the possibility of a Euro-Islam. The Western model, the idea of human rights, could transform Islam in Europe. But surely the notion of an Islam that assimilates the [European] Enlightenment in a trice is nothing but a figment the Western imagination?

Wirsching: One should not regard Islam as a monolithic block. A religious practice that rejects Islamism and adapts to

Western values is not inconceivable. And despite the very obvious tensions in many migrant communities, I believe that the appeal of Western individualism and human rights is sufficiently strong to have an impact on the mentalities of Muslim immigrants.

But precisely among those Muslims who have grown up in the midst of Western values and the Western promise of success and happiness there are those who seem to find radicalism attractive.

Wirsching: Indeed. Young males are especially prone to immerse themselves in a fundamentalist anti-Western world. But that is only one element of our social reality. And one should not forget how much has changed in Germany in the last 20 years. Not so long ago, a large sector of political opinion agreed that Germany was not a 'Country of Immigration', period. The opposite side eulogized multiculturalism. This sharp contrast made it impossible for several decades to develop a rational immigration policy, and the asylum article in the constitution was misused as a substitute for one. That impasse has been overcome in recent years.

Does Europe not have its own clash of cultures too? The EU began as an economic construct, the Coal and Steel Community, and today it is still primarily a huge free-trade zone. How much do we really know about people in Romania, Bulgaria, Estonia?

Wirsching: Europeans are unsure of their identity as Europeans. How does it alter the notion of "home," how important is Christianity? Nonetheless, Europe is much more than just a free-trade area. One cannot play the economics off against politics. Ever since the Schuman Plan that set up the Coal and Steel Community in 1950, progress toward integration has often been a response to a political predicament. But for its citizens Europe has



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also become a space that they unself-consciously experience and work in, a space that offers possibilities previously unheard of.

Joschka Fischer, the former German Foreign Minister, never tires of calling for a United States of Europe. Is that not a wholly impractical idea?

Wirsching: The supranational principle itself was, in a sense, a highly impractical notion, and yet it has become, to a certain extent, a reality. I do not believe, however, that we will see a Federation of European States. Every step in that direction raises the problem of the lack of democratic legitimation. Each new function assigned to EU institutions entails the surrender of states' rights to Brussels and Strasbourg – up to and including the right to frame budgets. That is bound to generate massive opposition, and I have grave doubts that it would actually be desirable.

You say that Europe has always emerged from crises in a stronger position than before, because crises promote convergence. Does Europe then need the present crisis?

Wirsching: From a dialectical point of view, crises have clearly been a driving force in history. But one shouldn't see this link in teleological terms; one cannot attribute a purpose to historical processes after the fact. Progress is never linear; it's always two steps forward, one step back. In the last 50 years, Europe has gone through many crises. The Empty-Chair policy in the mid-1960s, the "Euro-sclerosis" of the Seventies and early Eighties were political crises for what was then the EEC. Fears of collapse were followed by an unexpected lurch forward. The Maastricht Treaty had barely been negotiated when Central and Eastern European countries announced their intention of applying to join the Commu-

nity. All of these crises – and this is the crucial point – could and can only be resolved at the European, not the national, level.

In this respect Europe's opposite number is China. Its authoritarian form of capitalism seems to avoid this sort of toing-and-froing. Is the Chinese model likely to win out?

Wirsching: The question is too narrowly framed. Political and military power, financial and economic clout, access to raw materials; in all these areas, a huge shift from West to East is underway. But with its authoritarian capitalism, China is storing up troubles for itself, which could culminate in a gigantic crisis. Environmental problems are worsening. Ninety different peoples live in China and, beneath the surface, ethnic problems are growing. The question is how well its authoritarian system can cope, and at what political and economic cost.

Your new book on Europe is entitled *The Price of Freedom*. What freedom do you mean, and how much does it cost?

Wirsching: In the book, "freedom" is a multivalent term – the increase in political freedom associated with the events of 1989, the growth in individual freedom in the West of the continent. Since the 1970s, modes of life have become freer and more diverse, thanks to changes in gender roles, new forms of private life and greater educational opportunities. But the term also refers to the liberties available to digital capitalism. The price of all this is most obvious in post-Communist countries, where the transition from Party dictatorship to liberal market capitalism was often abrupt, and provoked severe political and social problems. In the West globalization and neoliberal strategies of modernization threatened the livelihoods of many. And, of course, the continuing emphasis on



Source: Jan Greune / LMU

individualism exacts its price in the form of growing cultural insecurity.

Particularly in Central and Eastern Europe, many people would say the price has been too high. There are signs of a massive political rollback, not just in Hungary.

Wirsching: In Hungary, the once liberal but now authoritarian-nationalist Fidesz party has 60% of the seats in Parliament, and much of the opposition is made up of members of Jobbik, a neofascist party. One has reason to worry when the new democracies regress to this extent. But I do believe that its membership of the EU can exert a moderating influence on Hungary.

Europe has no master plan, you say, today's crisis drives the next step forward. But, reading your book, one can't avoid the impression that a master narrative underlies the history of Europe over the last 20 years.

Wirsching: There is a master narrative, a reconstruction of history that endows



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it with meaning and has had a formative cultural impact. Even if one does not agree with this reading, one must acknowledge its impact. Up until 1989, this interpretative framework was simple. After its wartime self-destruction, the new Europe rises like a phoenix from the ashes, a haven of peace and prosperity. Now consider how that story is recast after 1989. The ink is scarcely dry on the Maastricht Treaty, the climax of the old narrative, when it suddenly becomes necessary to develop new tools for a further round of integration. That too is incorporated into the cultural paradigm. European development has never been an unbroken line of successes, and there is no prospect of it turning into one.

Prof. Dr. Andreas Wirsching holds the Chair of Modern and Contemporary History at LMU and is Director of the Institute of Contemporary History. Born in 1959, Wirsching studied in Berlin and in Erlangen, where he obtained his doctorate. He then worked as a research associate in Erlangen, at the German Historical Institute in Paris and the Institute of Contemporary History in Munich. In 1995 he completed his *Habilitation* at Regensburg University and was appointed to a professorship at the University of Tübingen. In 1998 he became a full professor at Augsburg University before moving to Munich in 2011. His latest book, entitled *Der Preis der Freiheit. Geschichte Europas in unserer Zeit* ("The Price of Freedom. A History of Europe in Our Time"), was published by C.H. Beck in 2012.

