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POLITICS AND ECONOMICS: EXPERTISE WITH A RADICAL FACE

Wolfgang Streeck – Germany: The broken heart of Europe

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Chris Bambery interviews sociologist Wolfgang Streeck, one of the leading critics of German foreign policy, about the country's mounting political and economic problems.

Chris Bambery is a journalist and broadcaster and author of *A People's History of Scotland*.

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Chris Bambery: *The Economist* has described Germany as “the sick man of Europe.” How do you react to that statement?

Wolfgang Streeck: They have said that forever, roughly every ten years, beginning in the early 1980s. Apart from this, there are a lot of sick men and women, in Europe these days, take France or Italy. And, not to forget, the United Kingdom. But then, it may no longer belong to “Europe”.

Chris Bambery: *A more sober analysis comes from Wolfgang Münchau who argues that the big structural shocks today are geopolitical and technological. He points to the German car industry which has missed out on the shift to electric vehicles; to the loss of cheap Russian energy and the loss of the Chinese market for German exports. How accurate do you think such an analysis is?*

Wolfgang Streeck: By and large, Accurate, yes. Of course, it assumes that recent developments will turn into linear trends. But sometimes there are surprises. Things happen, and history is eventful. In any case, it is not just countries that are in crisis but capitalism generally. Remember “secular stagnation”? It takes different forms in different places but a priori nobody is spared. Why is the UK in such dismal shape although it has no car industry (anymore), never bought Russian gas, and never exported stuff worth mentioning to China?

Chris Bambery: *Here it is still the case that people see Germany as a high-pay, high-skill economy, in contrast to the UK. But two decades ago the Social Democrat Chancellor, Gerhard Schröder, introduced Agenda 2010, which cut wages and boosted exports. What is your assessment of this policy?*

Wolfgang Streeck: The Agenda 2010 is much overrated. Too many believed Schröder’s self-laudatory propaganda. Much more important for the German recovery were the European Monetary Union (EMU) and trade union wage moderation, giving German manufacturing a low exchange rate combined with stagnant labour costs. Essentially the Agenda was a fiscal maneuver to meet the EMU debt limits.

Chris Bambery: *Germany is not quite the land of “milk and honey” these days. Poverty is a reality, and the infrastructure bears the scars of the years of austerity. Is that accurate?*

Wolfgang Streeck: That is accurate. But as I said, that’s not just Germany. Food banks have sprung up everywhere, not least in the United Kingdom.

Chris Bambery: *Germany faces major increases in state expenditure, not least with increased spending on arms as a result of the war in Ukraine. If that war ever ends it’s not the Americans who will carry the cost of reconstructing that country but Germany and the EU states. All this at a time when the EU is in the process of introducing harder fiscal rules. That does not bode well for the future does it?*

Wolfgang Streeck: No, it doesn’t. We’ll see what the Europeans will do. We don’t know. They don’t either. Rebuilding Ukraine, increasing military spending to more than two per cent of GDP, paying for an ageing population, repairing a rotten infrastructure, creating incentives for child-bearing, adapting to climate change, getting off oil and gas – you name it. This is the fiscal crisis of the state, underway for decades, now reaching a historical peak, and nobody knows what follows from and comes after it.

Chris Bambery: *Turning to politics generally, since the establishment of the Federal Republic the CDU has been in government with the Social Democrats (SPD), taking occasional turns. In many ways, it was a two-party system like that of the UK. But that now lies firmly in the past. Has that created a degree of political instability?*

Wolfgang Streeck: Obviously, it has, yes, following and in spite of sixteen years of more or less stable Merkelism. Now, given likely election results, there will always be three parties needed to form a coalition government, no longer just two, let alone one.

Moreover, there is the AfD which can be expected to command about fifteen percent of the votes at the federal level. None of the other parties will in any foreseeable future be ready to include the AfD in a federal government – which makes the building of a viable coalition even more difficult.

As to official public discourse, the other parties, especially CDU/CSU and SPD, use the Alternative für Deutschland (AfD) to limit the range of what can legitimately be said. Whatever the AfD says is declared taboo, even and precisely when it points to obvious mainstream political disasters, for example with respect to immigration or the war in Ukraine. Up to now, this has resulted in a steady increase in support for the AfD.

Chris Bambery: *How serious is the rise of the far-right in the shape of the AfD?*

Wolfgang Streeck: Serious for the functioning and the stability of the political system. Apart from this, the AfD is not a fascist party in the classical sense. While its leadership consists of pretty nasty people with pretty nasty worldviews, most of them are pretty dumb as well – unable for example to put together a credible electoral platform. It has no connection to German industry (in fact, business considers it a threat to inward foreign investment) or to the German army or police, not to speak of trade unions. There is not anymore a Junker class like in the 1930s waiting to turn over the state to them to root out communism and social democracy. Nor are there AfD stormtroopers or private armies like the Freikorps and the SA (Sturm Abteilung, the Nazi paramilitary organisation).

The AfD is no more, but of course also no less, than one of those right-wing extremist political parties that have come up in almost all European countries in the last ten years or so. And unlike Meloni in Italy and Le Pen in France, the AfD has not produced and seems highly unlikely to produce in any foreseeable future a serious candidate to head the national government.

Chris Bambery: *A decade ago Die Linke (the German Left Party) was a serious force. But it is now a shadow of itself and has split. Can either faction rebuild the support the party once had?*

Wolfgang Streeck: I don't think so. Die Linke as such will be dead once and for all the moment the Wagenknecht group formally secedes from it, which is expected to happen sometime this fall. A Wagenknecht party can hope to attract the working class element in the constituency of the AfD, which the Linkspartei clearly cannot. What will remain of Die Linke will not make the five percent threshold at the next federal election and this will be the end of it.

Chris Bambery: *For much of its history the EU was effectively run by a German-French axis. After 2008 and the financial crash that broke down somewhat with Germany pushing its own interests. Then last year the US cracked the whip over Ukraine demanding European states prioritise NATO membership and increase military spending. It also allowed the UK back in the camp operating as ever as the US watchdog. How serious was that for both Germany and the EU?*

Wolfgang Streeck: Be assured that they were all “pushing their own interests”. This is what states do. It is only the Germans that are expected not to do so, and they sort of reinforce this by pretending that indeed they don't. Also don't overestimate the “German-French axis”. Most of it was and is rhetoric. Germany has since the Second World War been firmly in the

American camp, meaning in American hands, with 30,000 American troops and huge American military bases on German ground, housing among other things an unknown number of nuclear bombs.

There were in the past a few timid attempts by German governments to stray from the American line – when Schröder and Chirac refused to join the invasion of Iraq, or Merkel and Sarkozy refused in 2008 to let Ukraine join NATO. But these were exceptions. Germany had to pay for them, for example, when Merkel allowed one million Syrian refugees into the country in 2015/16, for Obama to forgive her for not having sent German troops into Syria and Libya.

Chris Bambery: *Finally, the current coalition government has followed Washington's diktats but in many ways, the Greens seem the most zealous about pursuing the war. Is that correct?*

Wolfgang Streeck: That is correct. Of course, the CDU is doing its best not to be left behind, and there are also quite a few “Atlanticists” in the SPD who are ardent followers of the present Ukrainian government and the German Green foreign minister. Still, the Greens trust the CDU more than the SPD because of the SPD's residual proletarian smell as distinguished from the CDU's bourgeois fragrance, which is the smell of the class from which the Greens hail.

To understand why the Greens are willing to join the United States in pursuing the Ukrainian war “until the last Ukrainian”, one needs to know that they managed years ago to get the Merkel government to abolish the draft, making sure that German Westernism will never have to be underwritten with German blood.

They also keep reassuring their newly warlike followers that regardless of how many Ukrainians die, there will be no NATO boots on the battlefield – ever. Thus German Ukrainian ersatz patriotism won't cost German life or limb, only German treasure which can, however, be borrowed from the global capital markets.

If the war continues into an indefinite future, which it well may, it is conceivable that before or after the federal election in 2025 the Greens will abandon the coalition with the SPD to form a government with the CDU. A welcome occasion would be if Scholz were found to be implicated in a massive tax evasion scandal currently being tried in a Hamburg court.

For this, the CDU would have to drop its current leader in favour of a younger, more attractive, less boring, greener-looking one. For the party of Angela Merkel, and its world-class opportunism, this should not really be a problem.

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