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Detrimental actions of Angela Merkel

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Reunification of Germany in the XX century had controversial consequences for Europe. On the one hand, the historical injustice of dividing the country in three parts – FRG, GDR, Western Berlin – was eliminated. On the other hand, the German role in Europe increased significantly, with its benefits and drawbacks.

The liberated social and political energy, that was previously absorbed by the drive for reunification, could not rest unclaimed and was searching for new spheres and scales of its realization. Federal Chancellor Angela Merkel put it straight: «We have to interfere more. External and internal policies are increasingly merging. What comes unresolved from the outside, causes difficulties for us inside»¹. Such statements demonstrate the political leader's confidence in the country's potential.

Meanwhile, the Chancellor's policy was overburdened by serious internal and external defects, which are evident now and promise certain consequences in the future.

State power implies high level of responsibility of those who represent it. Apart from professionalism, it requires protection of national interests in the way they are perceived by political leaders. In doing so, the politicians are not immune to mistakes that may well result in bringing serious damage to economy and society. Inevitable occasional mistakes do not matter much. But systematic movement in the wrong direction, sometimes against the common sense, does.

¹ WirtschaftsWoche, 2015, № 43.

A while ago the anti-Keynesian branch of economic theory began gaining popularity in Germany. It believes in cutting expenses as one of important means to fight the crisis. Criticizing the economic policy of FRG, the Economist published a caricature: Chancellor Angela Merkel is sitting on a chest, full of money, while in the window one can see rundown buildings in urgent need of repairs. It is backed by some statistics: 40% of bridges in FRG are in critical condition².

Due to more or less satisfying state of the German economy, this policy did not find wide implementation within the country. Instead, it is now being actively exported with persistent support of Berlin. It is especially evident in relation to Greece, where financial aid is tied to cutting expenses, that seriously hurt the population. Even US President Barak Obama, while visiting Europe in July 2016, named the austerity policy as one of the reasons for ill-being and fear of people in a number of European states.

The crises themselves can be cyclical and structural. A crisis is the condition of economy when GDP growth is below zero, revenues and salaries are diminishing, unemployment is growing. Cyclical crises are periodical due to recurring discrepancy between production and consumption, also known as overproduction crises. Their global history began in 1825, and they are well studied, starting from Karl Marx. Comprehensive anti-crisis therapy was elaborated by John Maynard Keynes and his followers.

The notion, stemming from interpretation of the cyclical crisis, is that market economy, due to its inherent regularity, enters the crisis and then recovers by itself. Government intervention may speed up the recovery, provided proper measures are taken. Even if the authorities made incorrect estimation and took procyclical steps, production will overcome all obstacles and return to profitability. This could be viewed as the golden rule of market economy.

Structural crises are different in not having such self-regulating mechanism, meaning that the recovery and progress can take much longer. Assistance of the government in such case is necessary to carry out structural changes. Often an economy would not reach the cyclical crisis, because the structural one happens first, provoking more drastic consequences. Combination of cyclical and structural crises appears to be the most difficult problem which solution through austerity policy is, at least, short-sighted.

The next Merkel's mistake was to underestimate the international migration as social instability factor. The migration has two sides – economic and political. They have to be treated separately.

The first one secures GDP growth, which is quite important for FRG due to difficult demographic situation. German experts believe that in the coming 10 years the working population in FRG (with minimal work force inflow from abroad) will drop by 4,5 mln people, and the economic growth will diminish from current 1,5% to 0,5%. Moreover, the population is aging. By 2030 the economy and social life will stagnate. To avoid that, more than 2% of yearly growth is required, thus, guest workers' inflow should be increased³.

² The Economist, February 14, 2015. P. 19.

³ Die Zeit, 2015, № 42.

These numbers are quite realistic, but they reflect the quantitative approach to the problem, where historical comparison is not always valid. For example, refugees from the Eastern territories of the fascist Reich amounted to 11-12 mln people, and they made significant contribution to the economic rebirth of the country. Some experts say the history will repeat itself. But they were citizens of the same culture, breed and education, while current foreigners have no proper production skills, do not know the language and have a different view of life. With this account, only 20% of incoming refugees will be able to find long term employment⁴. One German expert put it this way: a refugee today, an unemployed tomorrow. A threat to the existing social order is forming gradually, despite the GDP growth and timely payment of social assistance. With the growth of foreign population, the overall social situation is changing not in favor of the title nation, degeneration of the country is taking place.

Foreign workers, by increasing the national income, undermine the political identity of the country. National minorities demand more rights, and thanks to their greater activity, or even aggressiveness, they secure their position in the society. A part of native citizens, who cannot be expelled or deprived of citizenship, is taking their side as well. Civilizational breakdown is already evident in the country which used to be quite orderly, changing the internal political landscape and provoking social disorder.

While such prospective is not yet clear at present, the priority is given to maintaining the current growth factors' combination, lowering the chances for changing the course later on. Foreigners, having distributed themselves in all industries, are turning into a considerable working force. A refusal from its contribution would inevitably provoke a handmade recession, which is least desirable for the government. It might, foreseeing the possible pace of events, be trying to «kill two flies with one blow» (German proverb), i.e. to stimulate the employment of foreigners and simultaneously integrate them in the German society. But this is not working, and will not work to the full extent. Every new immigrant is a potential threat to society. After the critical mass is reached, the foreign population, that remained alienated, will demonstrate its destructive potential.

Further dramatization is possible through conflicts within the immigrants themselves. Such contradictions are often revealed by violent clashes of the «guests», being for and against certain aspects of internal and external policy of their «second homeland». It is remarkable that proponents of Ankara are supported and guided from abroad, which in all times was considered as the sovereignty breach. At present, the Turkish diaspora in Germany is divided into the opponents and proponents of President Erdogan, generating another tension source in the country.

Famous American economist Milton Friedman once said that the introduction of euro would not unite, but divide the EU. It is hard to say if he was right, but we witness the breakdown of Europe by another, migration, line. And Germany is in the center of the process. And Angela Merkel added more fuel to the fire, stating: «We will cope with it» (Wir schaffen das). By this means she demonstrated her positive approach to accommodating refugees from the Southern countries. Although the Chancellor primarily meant the Syrians who left their country due to

⁴ WirtschaftsWoche, 2015, № 46.

the civil war, those words provoked huge masses of people from other places to relocate to the EU, especially to Germany. At times, the situation along the EU borders was out of control. Despite the growing discontent both in the country and abroad, Merkel was reluctant to enter a compromise in the broad coalition, where contradictions between CSU and SPD existed.

So the question arises, why Chancellor Angela Merkel decided to go against the flow, intentionally risking its position? She acted against the EU rules, according to which refugees must register themselves at the first crossing of the EU border. Despite the calls, Merkel refused to set the maximum number of refugees allowed to enter the country. Her opponents named this a big mistake. Having considered all circumstances, the Chancellor chose the moderate scenario of treating migration to avoid any possible accusations stemming from the German past. Otherwise, Europe and immigrant source countries would be overwhelmed by anti-German moods, with unflattering references to the fascist regime, which happened before in response to even less important events. Merkel managed to avoid such developments at the expense of her personal political rating. Hans-Dietrich Genscher said once: «Sometimes, even the German language itself reminds to our neighbors of what happened in the past»⁵.

During the humanitarian crisis that broke out due to the massive inflow of immigrants, A. Merkel demonstrated the qualities of an independent state leader, who is capable of taking unpopular decisions, and thus, undermining her previous image of an indecisive leader hoping that things would settle by themselves.

Having realized that things turned out adversely, in late February 2016 Merkel made an unexpected statement: when the situation in the source states becomes stable, the refugees must return to their homes and apply there the skills obtained in FRG. It was a clear concession to the public opinion, unhappy with the Chancellor's course. Thus, Merkel tried to undermine her opponents' position, not commenting the fact that the statement contradicted with her previous words in favor of refugees.

The absolute and relative growth of the immigrant portion in the German society may lead to drastic social and political changes, capable of transforming the current state of affairs. In attempt to stimulate the economic growth by percentage points, the policy of Merkel creates conditions for inter-national and inter-regional imbalance in the country. The safety margin is narrowing at the expense of the title nation.

«The benefits of migration will eventually exceed the expenses for hosting the immigrants, – George Soros believes, having forgotten of «the unity of opposites», i.e. of the destructive impact of the alien ethnical factor, which is otherwise so useful for economic growth»⁶. In 2015, Germany hosted a record of 1,1 mln people. This number will grow automatically with family reunions. And FRG will once again have to survive the siege of those looking for happiness abroad.

⁵ Ганс-Дитрих Геншер, Кристиан Линднер. Наводить мосты / Фонд Фридриха Науманна; Фонд «Либеральная Миссия». М., 2014. С. 54.

⁶ Новая газета, 29.07.2016.

Another mistake is the sanctions, of which a lot has been said already. The Western anti-Russia sanctions, based on the events in Ukraine, ignore all the international experience accumulated in this sphere. In its history, our country survived numerous attempts of such pressure, proving each time to the West the uselessness of such «punishment».

The Federal Chancellor has assumed the role of an active proponent of «punishing» Russia. Her course is still in place, and it is too early to summarize the results, but it is already clear that the West once again failed to force Russia into changing its policy. Moreover, the sanctions stimulate internal production in Russia, which was underestimated by our government despite the criticism of scientists. The government had been pursuing an easy path: no need to produce, if you can buy it. But high prices for oil and gas are history now, and production is gaining attention, as it is always safer than trade. The sanctions act like a boomerang, forcing the West to report its economic losses. The end of pressure on the East is close, Drang nach Osten will end soon.

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