

The Main Enemy is at Home

New german imperialism and the crisis in Euroland

Since the end of 2009 a sovereign debt crisis is roaming trough Europe. No end is in sight. But while the pressure on the periphery of the Euroarea is mounting, in the center there is building up contentment. Measured in GDP Germany in the first quarter of 2011 surpassed the peak before the last crisis, the first quarter 2008. Self confident the [Frankfurter Allgemeine Zeitung](#) wrote: "The german enterprises are coming – stronger! – out of the crisis. All fears about an enduring crisis, to be overcome only by a correspondingly long revival, came not true. ... This crisis has been exploited."(6. July 2011)

Although a month later the picture was less good – a sharp downturn on the stock market at the beginning of august, a growth of only 0,1 percent in the second quarter 2011 – the judgment of the FAZ is, sorrowly, still valid. Just in the Eurocrisis is the exchange rate of Euro to Dollar quite stable. And the sharpest critique to the German government is that it is not sufficiently fulfilling its leading role. In fact show the results of the Euro summit End of July an the newest agreement between Merkel and Sarkozy their german making. Why?

Benchmark: German federal obligations

A view on the financial markets gives an answer. The biggest financial markets are those, where the business is not in stocks, but in debt obligations of the big capitalist powers. An there decades ago has been established a standard, against which all European offers had to be measured: the German federal obligations. No country on the continent could surpass them in quantity, safety ore with lesser interest. They are, what on the other side of the Atlantic are the US treasuries: the benchmark. Short doubts about this qualification in the difficult years after the German unification have been countered effectively.

After the introduction of the Euro this high esteem has been used by other countries too. That Italy with its high public debt had to pay only small interest – likewise Greece or Spain – was result of the subordination under the Eurosystem, dominated by Germany in alliance with France. That's why the capitalists in these countries know well, what they would loose with dropping out of the Eurozone: the access to big, safe and relatively cheap credit markets. They follow the text book economy about flexible exchange rates causing a balanced foreign trade – the re-introduction of the drachme saving Greece – only as long, as they are sitting in the University lecture hall. That's why they are willing to take some burden for getting the Euro, especially since they are sure to roll over much of this burden to the broader population.

The German dominance is not a result of a treacherous conspiracy, but result of market competition. The decisions of private proprietors, their comparison of yields and their decisions to invest are guiding the European Central Bank too. For the ECB is still valid, what Gudrun Narr-Lindner wrote many years ago about the main model: "The Bundesbank is something like a constitutional monarchy: The King governs, but he does not rule. Ruling are in large scale the banks, able to stop or circumvent actions of the Bundesbank and influencing massively the politics of the Bundesbank as a bank." Not at least the Central Bank interest rate decisions are result of what the market accepts as the return of a safe investment.

Conflict over expenditures

And what shows a view on the charts of the german bonds? They went down since summer 2010. The strong economic revival made other investments more attractive. The German state had to offer (a little) higher interest. But in the worsening of the Eurocrisis the prices of the german bonds went up! The Investors accepted smaller yield, if only they could take their money to Bundesanleihen or Bundesschaftsbriefe. Might Greece and Spain had problems to find investors, might even France had to offer higher interest payments – not so the Federal Republic of Germany. Like in the alleged debt crisis in the US the difficulty for Germany was not to find investors, willing to lend the German state money for minor interest. The political conflict is only about how to spend this money.

That's about all participants are wrangling over and tinkering with. Who is reading the daily "Die Welt" will see all the apocalyptic scenarios of gone wild small german businessmen in fear for their money. Actually the german government got its way in determining the conditions for credit to other memberstates (stability pact, "debt brake"). It is easy to comprehend, how a european economic government would look like, if accepted and empowered by the german Bundesregierung. The long disputed participation of private borrowers in the costs of an rescheduling of public debt as long has been argued for, as the pressure of the markets was needed to blackmail concessions by the "European partners". Eurobonds – commonly guaranteed obligations of the Euro states will come only if the fiscal politics of the single states is put under German control. And the European Central Bank? It is making it's job – see above – while trying to dampen the fluctuations on the money market.

The foundation of the german influence is an accumulation regime, that guarantees a worldwide competitive industrial production via an efficient exploitation of a qualified working class. The development of the unit labor cost is – as the mainstream press is putting it – moderate: The German unification and social cuts (Hartz IV) guarantees, that this goes on. And after such victories on the economic home front german capital is focused on a – peaceful – conquest of foreign markets. There they show, what imperialism is: the highest stage of free competition. Ore to put it into the moralist terminology of the new civil society: the right of the strongest.

Defeats of the unions

So it is time to remember an old slogan: The Main enemy is at home. It is not about fearing for the dissolution of the Euro-Zone because of bad macro economic management. It is about identifying our share in the new german imperialism. Not least the defeats of unions since 1990 made the place in the sun for german business. Denied solidarity did not start, when germans gossiped about the alleged laziness of the greek. It is much older. It has been shown, when east german metal workers have been left alone in their fight for an 35-hours working week in 2003. It has been shown in 2004, when the new Monday-demonstrations of unemployed went on and on – but the unions remained idle. Already the idea of a solidarity strike for employees in other, less organized branches is to most colleagues completely alien.

It is this way. But has not to stay this way. Many good reasons there are, to refuse allegiance to the german capital. The defeats of the last years nourished capital. For the employed the result was: working more for less pay. They did not became happier that's for. There is an alternative: Protest is feasible, dear neighbors.

Literature

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