

Failure is now a possibility

Franco-German incompatibility a growing obstacle

by Michael Stürmer

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This is the second of a two-part series on the Franco-German relationship. The first article appeared on 10 November.

French and German clocks tick with different rhythms and strike the hours at different times.

The logic of globalisation and the single European currency has laid bare the economic, political and social disparities between the euro's two key members. We may find out during the final two and a half years of François Hollande's melancholy (if not disastrous) presidency whether Franco-German incompatibility is now a fundamental obstacle to monetary union achieving its aim as an engine for jobs, growth and investment.

The contrasts are across the board, whether in institutions, welfare programmes, structure of elites and make-up of the corporate and labour sectors. Stemming from different sets of national consciousness that were once self-contained, many German and French behavioural regulations and norms look distinctly out of step – a result of the intractable rigours of international competition.

Unquestionably, France, not Germany, faces the main burden of adjustment. *La France profonde* in all aspects, from working hours to retirement age, is under threat, be it through mass immigration or the new cyber-universe. France's industrial structure has proved less adaptive than Germany's.

In contrast to France's centralised elitism, Germany has preserved the tradition of the artisan guilds, embedded in a system of apprenticeships and technical training with its patriarchal ramifications across an array of owner-managers in small and medium-sized enterprises.

German organised labour lives in a tradition of co-operation, dating back to the urban journeymen of past centuries and their moral capital of honour and propriety. Strikes provide a public exercise in bargaining, not a battlefield for class warfare. France still suffers the expensive legacy of past divisions between *le patronat* and the *force ouvrière*. For more than 200 years French communism was the natural corollary to, and beneficiary of, social and cultural alienation. In France, where Germany's socialist prophets Marx and Engels left more of a mark than in their own country, the revolution between employers and workers has never ended.

France feels immediate pressure to reform its outdated structures through the machinery of the European Union, driven most insistently (but now with many allies) by the Germans. But the pain stems from many directions. The pattern was laid down long ago. History, up to a point, is destiny. In a period like the present, characterised by relentless and constant change, elements of tradition that previously maintained stability may impede modernisation and competitiveness.

The German past works differently from the way laid down for France by the great historian Fernand Braudel. His book *L'identité de la France* marked the beginning of a long cultural farewell, much more painful for France than for Germany. After the second world war Germany was beholden to the past much less than France. The French had more to look back on; the Germans could look only to the future.

France successfully formed the early modern state at the cost of the Holy Roman Empire – the political, pre-modern form of Germany. France set off on the route towards strong centralised authority under the 'Sun King' more than 300 years ago. The bloodstained revolution of the Jacobins and the decrees of Napoleon continued where the French monarchy left off: modernisation to the tune of 'One God, one King, one Law'.

The same forces pushing France towards strong central authority moved Germany in the opposite direction. The defining moment for both countries was the Thirty Years War of the 17th century. Germany became *Les Allemagnes*, forever split among many capitals and jurisdictions: a sprawling diversity that was seen, into the 20th century, as the essential condition for French greatness and security.

Germany is still organised in a polycentric way, in systems of politics and parties, in legislation and jurisdiction. France, in spite of a small dose of recent regionalism, is focused on Paris and its metropolitan magnetism. The routes to excellence and power are very different. Napoleon's Grandes Ecoles have no equivalent in Germany, except for the Technische Hochschulen derived from military colleges for engineering.

In France a grand commis de l'état in the top ranks of industry will have received his credentials at the Ecole Nationale d'Administration, generating demi-gods tous azimuts. German careers are built more diversely, with way-stations at the London School of Economics, Harvard or Stanford.

All these separate traditions do not lay down unavoidable one-way streets to the future. But they explain the two countries' different roles: Germany as Europe's chief agent of change, France as the continent's archetypal protector of the status quo.

This cultural rift has been a constant background threat to the single currency since it was conceived in the financial crisis of the early 1980s. 'Muddling through' in the past decade has helped. But French and German interests are diverging palpably, not least because Germany as a very large net foreign creditor necessarily has a more benign view about low inflation than France as one of the world's biggest net foreign debtors.

Berlin and Paris must forge a new Franco-German equilibrium. The goal has many long-term ramifications; the need is short-term. France and Germany will lead together – or together they will fail. French and German leaders often say failure is not an option. But it is now a real possibility.

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