

**FRAGMEX – Fragmentation & Exclusion.
Understanding & Overcoming the multiple Impacts of the European Crisis**

**The crisis discourse in the German Bundestag
Some remarks on German crisis perceptions on the basis of parliamentary debates
(2009-2015)**

Deliverable3

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I. European crisis perceptions

Turning first to frame understandings of the European crisis we observe that the discursive means, knowledge beliefs and credentials the members of the parliamentary discourse community¹ mobilise for explanatory purposes find expression in argumentation patterns revolving mainly around two issues, both relating to the fragmentation of the European economic space as aggravating the effects of the world economic and financial crisis: *a) macro-economic imbalances and b) over-indebted national budgets.*

Although not occupying centre stage the argumentations about imbalances due to diverging levels of economic performance, competitiveness and productivity display traits of discursive polarisation – controversial as the issue is, to what extent these performance imbalances precede and aggravate budget deficits. Part of the centre-left factions argue for locating the determining causes for the European crisis in structural disparities making national economies drift dangerously apart. This drift in turn can be attributed to levels of competitiveness becoming increasingly unequal. Now, although this line of argumentation does not enjoy the consensus of the majority, it proves nonetheless controversial enough, as to force the factions of the governing coalition to make their stance clear especially on the issue of Germany's economic policies possibly aggravating these disparities. So the Christian-Democratic and Liberal factions strive to devaluate the divergence argumentation by pointing out that however crisis inducing the asymmetry of competitiveness may be, this should mainly be attributed to national economic policies failing to meet the demands of budget consolidation, flexible labour markets, sound social policies and effective tax systems. Thus rather than structural shortcomings of the European economic policy it is reform deficiencies in certain countries of the Union that account for imbalances and disparities fragmenting the economic European space.

The causal nexus between competitiveness, macro-economic divergencies and performances drifting apart, that the opposition factions stage as determining the course of the European crisis, is of course of particular relevance as regards the question of Germany possibly contributing to and exercising a reinforcing impact on such developments. For the Green and Left factions there are a number of reasons it makes good sense to uphold the view that Germany's economic policy should be held accountable, because a) it forces the other European economies to adopt

¹ The data, i. e. session protocols of the Bundestag, are drawn from the period 2009-2015. From 2009 to 2013 the government coalition consists of the Christian-Democratic Union, the Christian Social Union and the Free Democrats (Liberals), the Social Democrats, the Greens and The Left make up the Opposition. Since 2013 the Christian-Democratic Union with the Social Democrats form the ruling coalition, The Left and the Greens occupying the opposition seats.

low wage policies; b) it promotes an aggressive export strategy that raises the dependencies of the importing countries thus further aggravating their budget deficits; and c) the surplus performance capacity of Germany is reflected in the excessive debts of the European periphery.

Against the background of such criticisms the ruling coalition resorts to arguing firstly that since raising competitiveness is one of the tenets of the EU, it is somehow hypocritical to hold the German economic policy responsible for the asymmetries being observed regarding levels of productivity, however deplorable these may otherwise be. Secondly, the interdependence of the European national economies is much more complicated than the mono-causal scheme of import dependencies suggestively implies, for part of the surpluses are redirected in the importing countries as form of direct investments. Thirdly, even if one concedes that the relatively high competitiveness of the German economy proves disadvantageous for the budget deficits of other European countries, this is no reason why Germany should restrain itself downgrading its export orientation. Last, but not least, the causes of the crisis lie not in the German competitive strength, but solely in the excessive public debt paired with low productivity.

Although indisputably most importance is given to the issue of over-indebtedness, this rests on premises of somehow different nature than one would expect given the magnitude of the crisis hitting the periphery – this means that it is not so much the fact of excessive and system-destabilising indebtedness as such, that which makes up a great deal of the crisis discourse in the German parliament, but certain fundamental underlying presuppositions concerning what is perceived to be the economy of debt. Characteristic for this a-priori attitude, so to speak, is how leading representatives of the government coalition think the actual state of capitalism should appropriately be called: If for this attitude such terms as financialised, casino, turbo, or predatory capitalism are not quite sufficient to describe the inner core of the economic system, the term “extreme debt capitalism” surely is.

What this kind of capitalism ultimately boils down to, is a gradual consolidation, over the years, of an economic and finance policy that focusses on curbing recession by taking anti-cyclical measures, without looking to it to reduce the accumulated deficits when the economic situation has turned better. No wonder then, that this view of the accumulation of a huge amount of debt across all developed economies, Germany included, makes up the core of how the governing coalition perceives and discursively talks about the causes of the European crisis.

Codified in the interpretative-explanatory pattern of a “system living beyond its means”, the crisis perception under question articulates itself *well before* the outbreak of the Greek sovereign debt crisis, that is, already at the beginning of 2009. Besides the aforementioned structural propensity to credit-financed deficit spending leading to excessive debt the main argumentation

buttressing the claim of the “system living beyond its means” consists in pointing out the dependency from the finance markets the indebted states have submitted themselves to. Although focussing on the capital-market dependence of the debtor state belongs to those explanatory argumentation patterns shared by government coalition and opposition alike, it can nevertheless be turned against what the ruling factions want to make out of it, namely a justification for a fiscal and financial policy whose highest priority consists in reducing state debt. So it can be argued that contrary to what the mainstream critique of the debtor state purports to establish beyond doubt, it is not state budget deficit per se that lies at the core of the crisis, but the fact that the aforementioned dependence has in the course of the finance and banking crisis aggravated the sovereign debt malaise of European states.

So, instead of putting the blame solely on fiscal policies one should rather turn the causal relation around and pay instead heed to how the sovereign debt crisis has to a great extent been the result of the state economic policy trying to dam the effects of the economic and banking upheavals. In this way, if one can reasonably argue about the huge deficits accruing from the redemption measures to save the banking sector from collapse, so it is equally indisputable that the capital and finance markets have exploited the refinancing urgencies of sovereign states to set up certain speculative movements.

II. Self-understanding / Other-perceptions

If we take every kind of discourse and the one on crisis (for that matter) to form a structured phenomenon, then the rules, resources and the discursive generation of meaning constituting the fabric of this structure, that is, making the phenomenon a product of discursive praxis, must be seen as mediated by *subject locations, speaker positions, discursive (in this case in terms of party-politics) placements*. With other words causal explanations and problem-solving understandings are embedded in role and position settings – in this case the organisational setting of the legislative process. From the perspective of the sociology of knowledge subject positioning, roll setting and collective “We”-formations instantiate types of problem understanding, action competence and decision beliefs. In this way we can see how in this particular case the distribution of positions in the discursive field of political-parliamentary deliberations is determined by how political actors frame their self-understanding along the twofold axis of German-national and European self-positioning.

Turning first to the latter, we observe how drawing upon what is believed to be European driving and cohesion forces is put to discursive praxis as means to meet the challenge of the

crisis – no wonder then, that a considerable part of the crisis discourse revolves around the issue of reactivating resources of European self-confidence. This is, by the way, all too understandable, if one bears in mind that the political actors in the German Parliament are acutely aware of the fact the economically leading and politically highly influential German power stays under observation as to whether German politics can successfully bind the coordinates of a (nationally motivated) anti-crisis strategy to meeting the common European interest. As the latter in turn can only justifiably be accounted for in terms of recourse to principle-based resources, so this self-confidence turns upon the issue of appeal to community values, as

- a) Fundamentals underlying the anti-crisis strategy and
- b) Stepping-stones for deepening integration.

As regards the first one *discursive positioning articulates itself in perceptions and beliefs of effectively mastering the crisis only by means of deploying a European value orientation*. What this means is that a coordinated anti-crisis policy has to take its bearings from such concepts and principles such as the Union being a community of destiny and a peace project, whereby one can add to the arsenal of values further determining the European trajectory such notions such as enlightenment, emancipation, legal certainty, social welfare statism, republican liberties, tolerance, and solidarity, but also the primacy of political will formation and democratic procedures against financial and capital markets coming to dominate decision making processes (all alone the line). Now, referring to the second aspect of enhancing self-confidence through recourse to European principles, a value-based anti-crisis strategy is also considered to be necessary, should the next step in deepening European integration *be at all possible*.

If the first approach to value bases is backwards oriented, that is recursive, the second one is rather prospective, pointing out as it does, that a value-based crisis management is but a precondition for the further progress of integration. On this point the discursive divisions in the German Parliament are much more manifest than in the case of the appeals to principles, because how to set the priorities for attaining integration goals is a question of diverging approaches. For the centre-left spectrum of the discursive political space the political integration of the EU should be prioritised, and this for a number of reasons: *firstly*, the exigency of counteracting the unpredictable influences the finance sector exercises on national policies demands extensive regulatory prerogatives on the part of the European governance; *secondly*, on the basis of level of economic and monetary unification already reached it is but logical to somehow give way to the pressure of taking further steps in the direction of political Union; the latter is expectably considered by the government coalition factions rather to be avoided, lest the whole process ends up in a supranational bureaucratic super-state. For the ruling parties (Christian-

Democrats and Liberals) on the contrary, the emphasis should be laid on raising the coordination level of economic politics in order to render European economic governance capable of meeting the demands of global competitiveness.

Coming now to the German-national component of self-positioning regarding the anti-crisis approach one cannot but discern a certain tension between observing the interests of a value-based European strategy, on the one hand, and meeting specific German demands regarding a crisis management along the lines of national interests. The tension is most clearly manifest in discursive utterances deploying terms such as “but also”, thereby denoting a complementary relation between the two aforementioned stances: This complementarity is discursively processed by means of argumentations that underline

- a) The leading role Germany can and must play in counteracting the effects of the economic, financial and sovereign debt crisis, thereby
- b) Functioning as an exemplary model of establishing a European stability regime.

What these notions of leadership and exemplarity consist in can in turn be made explicitly clear, if one pays attention to the following discursive moves: To begin with, the majority is convinced that in the face of the gravity of the crisis impacts the duty of taking a leading stance and holding Europe together falls on Germany – after all, it all depends on the powerhouse and the economic locomotive in the middle of Europe to counterbalance centrifugal forces, by putting in place a consolidation strategy that brings back order to Europe.

We see in this way the crisis-related self-understanding of the discourse participants being determined by convictions as to

- a) the comparative fitness of the German-type social market economy to stem the effects of the crisis and
- b) the specific German contribution to crisis management consisting in the core policy of financial and monetary stability.

Putting together these ground beliefs about the leading role and stability orientation helps explain the key notion governing the German European anti-crisis policy, namely the (need for) a *stability culture*. In a way, the conviction of being driving impetus and culture bearer of a new stability architecture occupies centre stage in perceptions of what Europe, beyond meeting the challenge of the crisis, should strive for: Europe as community of stability. Now, looking at the semantic content of this notion, one discerns components such as principles that should unconditionally be observed, because fidelity to principles is something the leading role of Germany is obliged to on the grounds of heightened responsibility.

For the great part of the parliamentary discourse community fighting for this culture of stability means

- a) avoiding at all costs experiments such a transfer union with destabilising effects,
- b) strict observance of the stability regulations and
- c) if necessary, the exercise of pressure on Europe and individual countries.

What in the self-understanding of the political majority fighting for the stability culture further means, is the *transfer* of the stability and consolidation strategy successfully deployed in Germany to the European level: This kind of Europeanisation entails besides the aforementioned culture of strictly complying with the requirements of Growth and Stability Pact the Union-wide implementation of the “debt brake” – in the way the core of Germany’s contribution to European Stability –, but also budgetary surveillance.

Now, looking at the other side of the discursive divide, the oppositional stances of the centre-left, we observe that on the whole perceptions and convictions about Germany assuming a European leading role are not per se called into question – except sometimes for the party The Left. What is rather critically reflected on, is what a responsible manner of assuming the duty of leadership should consist in, *lest* out of the current crisis management evolves a renationalisation of European politics. Indeed, this a point the Opposition takes great pains to prove, being convinced as it is, that the anti-crisis policy of Germany not only has ushered in a considerable amount of animosities and irritations among the countries of the European periphery, but on the top of this it can thoroughly be questioned on the grounds of whether the stability-oriented claim on leadership is at all compatible with observing the principle of European solidarity.

No wonder then that the European reliability and trustworthiness of the country decreases to the extent that asserting to be entitled to European leadership means for the German government adopting the authoritative and commanding landlord manor attitude. Reproaching the government of being incapable to put forward its leadership claim in a consensual and legitimate manner, entails also the criticism against the ruling factions that they fail to communicate to the national public the exact reasons why it lies in German interest to undertake every possible effort to stabilise the Eurozone. Instead of clarifying what is really at stake in rescue packages, redemption funds, financial stability facilities, and the like, government policy – so goes the argument of the Opposition – has tolerated or even fostered resentments, exclusions and fragmentations, especially by launching the distorted picture of a German anchor of stability in a continent otherwise ravaged by fiscal recklessness, financial unruliness and extravagant deficit spending. In short, government anti-crisis policy lacks the sense for the inner imbalance of the European community of states, disregarding as it does the macro-economic disparities, which

no stability culture can do away with – only altering the European economy policy as a whole could prove to be helpful alleviating the extent of such imbalances.

III. The Greek crisis

Against the background of what the dominant perception regarding the determining cause of the crisis consists in, that is, excessive state indebtedness, it takes no wonder that the Greek sovereign debt crisis is perceived as a potentially destabilising phenomenon, right from the start, that is, before the perspective of a number of similar cases arises on the horizon of the European public discourse. If in terms of the global understanding guiding the crisis perceptions of the ruling parties the credit-financed states policies is what lies at the roots of the current times of crisis, then the Greek case is not surprisingly observed with heightened concern. The reason for this alarmed apprehension lies in the combined perceptions of sovereign debt and a number of other factors aggravating of the Greek malaise, such as structural deficits and various forms of backwardness that make in principle improbable the kind of solid and balanced fiscal policy, which the German ruling parties are convinced every government in the world should be able to follow. To cut a long story short, if the perception pattern of a “system living beyond its means” applies to the global understanding of the crisis, all the more does it seem fit to explaining the causes of the Greek calamity – the Greek state finance as a magnifying glass for inexcusably irresponsible economic and fiscal policies, so to speak.

This in turn illuminates a great deal of the unwillingness expressed by the governing parties at the outbreak of the crisis to react immediately in order to forge a European collective anti-crisis management, but also – and, even more importantly – it helps explain the preconditions under which the German government will step in to secure the stability of the Euro zone, namely budget consolidation, fiscal discipline, reduction of public spending, austerity measures, raising state revenue through privatisations, and the like. Now, as the Greek sovereign debt crisis unfolds over the four last years the opposition feels all the more justified in mobilising arguments in support of the claim that the consolidation course has counter-productive effects und shows that the German inspired anti-crisis European programme is not sustained by a viable long-term growth and investment policy.

The controversial treatment of the issue of effectiveness and sustainability of the anti-crisis measures put forward by the German government policy refers (of course) also to that segment of the parliamentary discourse in which an eminent role play value-based orientations and es-

pecially those that concern justificatory argumentations on the issue of European interdependencies, mutualities, redistributive transfers – in short, forms of solidarity. Now, contestable as issues of rights and claims, duties and responsibilities around solidarity action usually are, they become even more controversial in the context of the German parliamentary debates. This comes as no surprise considering the fact the Germany has been called to shoulder a great part of the burden of covering the ‘costs’ of the crisis in form of credits and guarantees.

This fact, combined with the perceptions of inexcusable irresponsibility at the root of the Greek crisis sketched above, provides the matrix for the argumentation patterns around the justification of Germany practising solidarity as fundamental component of the European anti-crisis strategy. The dominant pole of this matrix is determined by guiding perceptions about how practising solidarity can be justified on the grounds of the recipient testifying to the trustworthiness in and legitimate claim on being given assistance. Trustworthiness and legitimacy of giving and receiving solidarity should consequently be measured by the extent to which government policy in Greece complies with the requirements of debt consolidation, financial stability and sustainable economic development. Compliance with these solidarity preconditions does not mean going that far as to consent to a system of a Europe-wide redistributive transfers though – on this point the ruling majority is adamant in rejecting everything that reminds of a transfer union. The latter in turns is something that the Opposition parties can throw against what the governing coalition thinks a transfer union is about, by pointing out that

- a) the politics of financial rescue schemes and their institutionalisation in the European Stability Mechanism are already a form of resource transfer, and
- b) the so-called rescue umbrellas should be seen as continuation of the cohesion policy of the Union and accordingly as part and parcel of what usually is designated as the European integration process.

Under the impact of the results of the recent Greek elections (January 2015) certain shifts of emphasis can be observed in the parliamentary discourse, as the discursive community of the Bundestag takes up the issue of possible readjustments the newly elected left-wing government in Athens has committed itself to regarding debt repayment. Shifting emphasis concerns, for one thing, perceptions of structural causations underlying the Greek crisis, whereby the role the political establishment has over the last decades played in creating and aggravating the sovereign-debt problem comes closer into focus. This is partly due to the fact of German political actors being increasingly aware of the caesura marked by the programmatic objectives the Syriza-Government sets out to accomplish. Against the background of what is perceived as a

radical break with the policies thus far pursued it comes as no surprise that although on the whole, that is taking into account mismanagement, corruption, clientelism, etc., the two traditional ruling parties in Greece are held responsible for the desolate state of state finance affairs, government performance concerning the reduction of budget deficit by cutting down expenses and raising state revenue is considered remarkable though. Nevertheless, however positive generating primary surplus may be, it is for the opposition, which on this point sets forth the austerity critique of previous years, not by itself sufficient to justify the costs such readjustment policies have brought about, for the austerity course has caused considerable social upheavals. Thus the new elected government is – on this side of the political-discursive divide – perceived as heralding a positive turn concerning European social policies.

Such hopeful signs is not something the discursive majority is able or willing to discern though, the dominant attitude being on the contrary that the government coalition, consisting of a radical left-wing and a nationalist right-wing party, can present but no credentials as to its ability to promote policies aiming at raising the competitiveness level of the Greek economy. And even less the country's European credibility – in the face of government politics apparently being prone to foster nationalist mentalities, reinforce anti-European stances and fuel anti-German resentments. Accordingly, the strong discursive focus laid on how the left-wing government stages its programmatic commitments in the European political framework reflects a perception shift in comparison to how the issue of governmental action has been dealt with in the Bundestag since the outbreak of the Greek crisis. This discursive shift manifests itself most prominently in negative personalisations and quasi antagonistic collective identities.

As far as the latter is concerned, they underline those tensional relations political actors perceive holding between people's state sovereign powers as exercised in the legislative parliamentary work. What this in turn means is that the German parliamentary deliberation on the issue of extending the credit programme for Greece discursively assumes the form of equally legitimate but contrary political will formations: If it is the legitimate right of the Greek people to exercise sovereign power by endorsing the plan of their elected government to revise the conditions of the financial help, it is no less rightful on the part of the German sovereign to put to scrutiny or even reject the legitimacy and purposefulness of setting forth financial support to Greece. Add to this the fact that these tensional claims are articulated in the context of what is perceived to be a common European political-discursive space, but also the way the new Greek government brings forth its demand as being perceived to be uncompromising, and the growing discontent among the governing parties becomes apparent. Part of the discontented attitudes grounds in turn the way critical perceptions of leading government personalities are articulated,

some of them even deploying cultural stereotypes. This culturalist trait, which marks another aspect of the discursive shifts occurring since the beginning of the year, is founded on the belief that Greece's political culture does not quite fit what according to mainstream perceptions it should be – lest Greece foregoes its right to European solidarity. The discursive polarity the coalition parties are trying to forge comes of course under fire from the two opposition parties claiming as they do that the Greek issue does not turn on the conflict between national collectivities, but concerns the diverging objectives of observing the interests of the banking sector versus safeguarding those of the taxpayers, or, as regards especially Greece, defending the general interest against tax evaders.

The third aspect concerning which a kind of shift can be observed pertains to argumentations for the necessity or inescapability of the 'Grexit' becoming more numerous and discursively weighty. What surely sets them apart from former similar reasonings is the 'voluntarist' note they confer upon the perspective of Greece opting out of the Euro zone: Whereas, thus far, it has been the case that the latter should be seen as the logical consequence of Greece a) lagging irredeemably behind in terms of competitiveness or b) being on the brink of bankruptcy, now the belief gains ground that it is but consistent with what the Greek government has in truth promised the Greek electorate as it set the objective of breaking cooperation with the 'Troika' – so it is up to the "Greeks" to decide, what they want. What – for a not insignificant number of MPs – they can by no means want is still raise claims upon deservedly being in need of further financial aid: Because pumping money in a bankrupt economy is something no European country can reasonably expect from the other EU-member states, it seems quite sound for the Greek government to cope with and accommodate itself to the worst case scenario – rather an end with terror than terror without end. This proves to be all the more inescapable, as the certainty grows that in the face of the trustworthiness of the new government rapidly declining the question of the conditionality accompanying European solidarity measures must be re-examined, for neither can solidarity be implemented without the recipient assuming responsibility for putting to place structural reforms, nor is the unwavering solidarity will of the EU self-evident – the exit would of course cause considerable trouble, nevertheless it is preferable to tolerating the fact of the conditions of fiscal stability being blatantly disregarded.

Loss of confidence, reservations about the need of European solidarity action, 'Grexit' as logical consequence or inevitable option – these are discursive arguments of considerable purport the opposition must find convincing counter strategies to reply to, lest the notion of European integration proves of limited sustainability. So, in order to sharpen the profile of argumentation resources to be drawn upon to justify the Euro membership of Greece the opposition

parties at first mount a discursive offensive against what in their view goes wrong in the anti-crises course the German government has embarked on, namely the rigid intransigence on and uncompromising adherence to (the principle of) fiscal stability and budget consolidation. Not only does this principle, drawn to its political-logical conclusion, foster exclusion tendencies, it fails even to comply with the basic solidarity tenets inspiring European unification. The Opposition draws also attention to those argumentations political actors from the ruling parties themselves take recourse to, that is justifying solidarity measures on the grounds of the interconnectedness and mutual dependencies between the European national economies. Furthermore, the intransigence characterising the policy of observing fiscal discipline (at all costs) flies in the face of all the negative effects and impacts the austerity policy accompanying the stability course has in the previous years had on the economies and the social fabric itself of the indebted European countries.