



Why Germany fell out of love with Europe?

Essay Launch Presentation

With

Wolfgang Proissl
Visiting Fellow at Bruegel

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Pierre Moscovici
Member of the French Parliament

Bruegel, 33 Rue de la Charité, 1210 Brussels

Thursday 1 July 2010, 13.30-14.45

You are invited to attend the launch of Bruegel's new essay *Why Germany fell out of love with Europe?*, written by Wolfgang Proissl, a visiting fellow at Bruegel.

In his essay Wolfgang Proissl argues that the crisis has brought Germany back into an even more central role in Europe than before. Markets view German government bonds as the benchmark for the Eurozone, economic policy decisions in Berlin are seen as the model for the rest of Europe. As a consequence Chancellor Angela Merkel increasingly grows into the role of the EU's de facto president. That situation creates tensions with the partner countries and her domestic audience.

The crisis shows that this situation may well become unsustainable for Europe and Germany alike. The events in Greece and the contagion to other Southern European countries forced the Euro members to at least temporarily suspend the German designed rules for Economic and Monetary Union. Germany, rather than leading towards a solution, increasingly seemed to be part of the problem. The developments between February and May show: Caught between a crucial regional election, hostility of the public against help for Greece, the strict limitation of the constitutional court and the expectations of partners and markets Merkel found it difficult to live up to the leadership expectations that were placed on her. Seen from a domestic point of view however the Chancellor was hardly able to act very differently.

In his essay Wolfgang Proissl puts the spotlights on the long term trends that have lead to an alienation of many Germans from Europe and to the feeling of defeat after the weekend of May 7 to 9: the loss of a sense of purpose and forward looking narrative for Germany in Europe, the strained relationship between the Chancellor and the French President Nicolas Sarkozy, the long standing argument about an economic government and the sense of increasing isolation and deception in Germany with regard to its partners.

The text points out that those constraints lead the Chancellor to take decisions that seem to be in contradiction with some of her wider policy aims for Europe. Merkel wants the EU and the Eurozone to be an influential player on the world stage. But months of quarrelling about Greece and the intergovernmental design of Greek and the Euro rescue packages left the world with doubts about European disunity and a common will in Europe.

Wolfgang Proissl joined Bruegel as a Visiting Fellow in March 2010. From June 2005 until the beginning of 2010 he was the Brussels bureau chief of Financial Times Deutschland, the German business daily which he helped to found in 2000. For the autumn of 2010 he has received a scholarship from Yale University to be part of the Yale World Fellows Program 2010. Next year he will return to journalism and become Financial Times Deutschland's chief correspondent in Frankfurt. Wolfgang holds an economics degree from the Cologne University. He received his training as a journalist at the journalism school in Cologne. After that he was granted a year-long postgraduate scholarship at the Centre de formation des journalistes (CFJ) in Paris.

Hans-Werner Sinn is the President of the Ifo Institute for Economic Research and Director of CESifo. He is also the director of CES and a Professor of Economics and Public Finance at the University of Munich. He received his doctorate in Economics from the University of Mannheim. He has held several visiting research and teaching positions, for instance at the London School of Economics (1989), Princeton University (1990, 1998), Stanford University and the IMF (1991). He is widely published and has won several awards during his career.

Pierre Moscovici is a member of the French Parliament since June 2007. He is a member of the Commission for foreign affairs and he is also deputy President of the Delegation for European affairs. He is a professor at the Institut d'études politiques in Paris teaching "European issues". Formerly, he was a member of the European Parliament from 1994 until 1997 and from 2004 until 2007. During this last period, he was also deputy President of the European Parliament. He has a DEA in Economy and Philosophy and has studied at the Institut d'études politiques in Paris and the French National School of Administration (ENA).

Lunch will be served at 13.15 before the session starts punctually at 13.30.

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