

Translation

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**Interview with Federal Chancellor Angela Merkel in the Süddeutsche Zeitung, The Guardian, Le Monde, La Stampa, Gazeta Wyborcza, and El País newspapers**

*Federal Chancellor, may I ask whether you play a musical instrument?*

Merkel: I don't. I learned flute and piano for a bit as a child, but not very successfully.

*You nonetheless know your orchestras and are an enthusiastic concert-goer. If you had to compare the European Union to an orchestra, which section would you see Germany playing in?*

Merkel: As I see this European orchestra, there's no nation that plays just the more delicate notes, and there's none that plays just brass; each nation is represented in every section of the orchestra.

*You have been rehearsing very intensively for a year now, usually quite dissonantly...*

Merkel: ... very modern music ...

*... has the orchestra now mastered the score? In other words, have the political players got the crisis under control?*

Merkel: We do want to act together as Europe in the world, just like musicians come together as an orchestra. And, just like any symphony, politics moves between major and minor keys, and between more harmonious and more dissonant passages. What we shouldn't forget though, given our continent's history, is what enormous progress we have already made to be able to compare the EU to an orchestra at all.

*What about the score – do the players have it under control?*

Merkel: We haven't overcome the crisis yet. Part of what still has us occupied are the difficulties of the moment, i.e. the massive debt which some countries are in. It was accumulated over the course of many years in a lot of cases, the financial and economic crisis has made it worse, and it mostly goes hand in hand with high unemployment and severe structural weaknesses. And then of course there's Greece, a special case where, in spite of all the efforts that have been made, neither the Greeks themselves nor the international community have yet managed to stabilize the situation. We need to get all that calmed down first of all, and by doing so regain the trust of the markets.

Next to those concerns, we are also confronted with a very fundamental question: how high are our ambitions for our European project? Do we want to align our capabilities to some sort of common denominator, some average level? Or do we seek our yardstick among the economically vibrant regions, those which are setting the pace in the world? It is a good thing that we have now got ourselves on the same page regarding budgetary discipline and debt reduction – but it's not enough. The EU needs more growth and employment; it needs to remain able to hold its own in global competition. I want the EU to still be getting recognition for its innovation and its products twenty years from now. This is about deciding how we can represent our interests in a globalized world – and thus secure our prosperity for the future.

*Do you have doubts about the policies that have so far been deployed to combat the crisis?*

Merkel: Good politicians always have doubts, as a way of constantly reviewing whether they are on the right track. It goes without saying that I want to keep the euro and the Union – so I have no doubts about what the goals are. But finding the way to those goals does often involve some give and take, some compromise. What exactly does a fiscal pact look like? How are we going to sort out the labour law issues and distribute the Structural Funds? We have to take each of those questions and examine the pros and cons – and there is seldom going to be a zero-sum solution at the end of the day.

*Why has it been such a difficult learning process?*

Merkel: There have been times in the past when we in the EU have pulled the wool over each other's eyes. The markets, too, took a long time to react to the problems, such as Greece's

relative lack of competitiveness. And all too often, we weren't upholding our own rules, like the Stability and Growth Pact.

*What has been your most important experience so far in this crisis?*

Merkel: At the beginning, there was a lot of talk about the EU having simply found ourselves the victims of "speculators". Now, and this is what's crucial, we have uncovered the roots of our problems. Many countries have undertaken incredible effort and painful reform over the last year and a half, for which they command my utmost respect. I believe that, all in all, we have found a good balance between European solidarity and national responsibility. I am profoundly convinced that, if we learn the lessons of all the things we did wrong, or didn't do and should have, then the EU will be much, much stronger post-crisis than it was before.

*There are divergent opinions when it comes to solidarity. Italy is calling for quite a lot more support. What does solidarity mean to you?*

Merkel: It means that we help our partners in Europe in the expectation that they, for their part, will also make every effort to improve their situation. That was how we approached the EFSF, and that's what we're doing with the ESM. I might point out that the idea for that permanent rescue mechanism came from Germany. We are prepared to demonstrate solidarity. However, as we have always said, we need to be providing that help in the monetary union on the basis of the treaties, which clearly state that no country can take responsibility for another country's debt.

*Your version of solidarity is quite strict, then.*

Merkel: We do feel and show solidarity, but we must not forget that all countries must also act responsibly. You can't have one without the other. There would be no point in promising more and more money without tackling the causes of the crisis. In Spain, for example, more than 40 per cent of young people are unemployed, and part of the reason is the legislation that is in place. I don't want this to be taken as a reproach, because I have great respect for the efforts Spain is making to carry out reform. Other countries, such as Germany and those in the Eastern EU, have been through difficult labour market reform. I am for all of us in the EU learning from one another. Germany, too, would do well to look to other countries in a number of areas.

Amid all the billions in financial assistance and rescue packages, we Germans also need to watch that we don't run out of steam. After all, our capacities aren't infinite, and overstretching ourselves wouldn't help us or the EU as a whole.

*The stress of the crisis is leaving its mark. How great is the danger that the EU might split?*

Merkel: I see no split in the EU, but it is obvious that the markets are trying to test our resolve to hold together. Long-term investors, who are working with a lot of people's money, want to know what Europe is going to look like in 20 years' time. Will demographic change in Germany leave us as competitive as we are now? Will we nurture innovation? In this crisis, we have reached a whole new level of cooperation in Europe; we have arrived at a sort of European home affairs. We can't just have diplomatic relations with one another anymore. We need to solve our problems by addressing them head-on and without ceremony – just like in the home affairs of individual nations.

*The British are definitely not in favour of declaring that EU politics is home affairs.*

Merkel: I am convinced that Great Britain wants to remain a member of the European Union. Of course it's never easy for 27 states to hold together. And for us Germans, the important thing always comes round to finding consensus with everyone: with the so-called big member states and the so-called small ones, with those who have been there since the beginning and those who joined the Union over the decades that followed. We need to find that balance with everyone time and again, including the United Kingdom wherever possible.

*What's going to happen to that balance if some states aren't part of the inner core that have the euro and the fiscal pact?*

Merkel: Anyone can see that countries which have come together to share a common currency are obviously going to have to collaborate very closely too. That doesn't mean that we shut ourselves off, though – that would be completely wrong. Whether it's the Euro Plus Pact or the fiscal compact that is on the table, every non-euro member state is welcome to join in. We will only be able to strengthen our common currency if we coordinate our policies more closely and are prepared to gradually give up more powers to the EU. If we make loads of promises about debt reduction and sound budgeting, those need to be things that can be enforced or brought to court in the future. The point of the fiscal compact, after all, is to make

it possible to check on those commitments. That means giving our institutions more monitoring rights – and more bite.

*After the saving comes growth. How are both supposed to happen at the same time?*

Merkel: I've noticed that, when you mention growth, a lot of people just think of expensive stimulus packages. Now, that road did make sense in the initial crisis, and we should even now be combing through the European funds, where there is still a considerable sum that hasn't been used. I want to see us use that money for measures which will promote growth and employment. I'm thinking there about support for SMEs or start-up enterprise, employment programmes for young people or funding for research and innovation. Germany is prepared to deploy the Structural Funds in pursuit of these sensible goals.

However, there are other ways to boost growth which cost hardly anything. Take labour law, for instance. It needs to be made more flexible, especially in areas where it places excessive obstacles in the path of young people. We also cannot tolerate a state of affairs where only a small section of the population has access to a whole range of professions. It is possible to expand the service industry very quickly. We need more privatization. There are many ways of using structural reforms like these to lift the obstacles that stifle growth.

*Is Germany's strength a hindrance to other countries' growth?*

Merkel: No. And Germany becoming weakened wouldn't help anyone either. It goes without saying that we need in time to iron out the imbalances that exist within the EU, but we should do that by making other countries more competitive again, not by weakening Germany.

*Are there other models for spreading the risks and taking on greater liability?*

Merkel: Eurobonds are not a solution to the crisis we have right now. Shared liability is something we will only be able to contemplate once the EU has achieved much greater integration; it will not do as a means to resolve this crisis. That greater integration would involve the European Court of Justice enforcing controls for national budgets, for example, and much more besides. If we at some point have harmonized our financial and budgetary policy, that will be the time to try and find other forms of cooperation and shared liability.

*Poland's Foreign Minister Radosław Sikorski has said that he is more afraid of a Germany that does nothing than of a Germany that takes the lead. Are the Germans doing enough?*

Merkel: What pleases me most about this is that the Polish Foreign Minister's words are a great vote of confidence. They show what a positive development our relations have undergone. Germany is an important European country, and we accept the responsibilities inherent in that position. However, sometimes calls for someone to take the lead come from those – and I definitely do not mean Poland here – who do not want to accept that responsibility themselves. They know that having the strength to lead always implies an element of risk. Germany doesn't shy away from taking on a certain level of risk in the right cause, but the main thing we need to be doing in the EU is finding consensus on how we are going to move forward together.

*The Foreign Minister's words also express a concern. Does Germany really believe in the EU, or would it be better off alone?*

Merkel: Let me make one thing absolutely clear: all the relevant political forces in Germany are completely committed to the EU. As we said on the 50<sup>th</sup> anniversary of the Rome Treaties, “Wir sind zu unserem Glück vereint” – meaning that our Union is our good fortune, and the pun was deliberate. It is our good fortune that we are united, and it is only in a united Europe that we will continue to prosper.

*But the EU was a place of harmony for many years.*

Merkel: Maybe so, but that was at the cost of all too often dodging difficult decisions. The EU would never be successful if we carried on like that, and it's a successful EU that I want to see.

*You have been calling for toughness and in so doing reinforcing what is – to put it delicately – a not exactly helpful image of Germany as tough, stubborn and domineering.*

Merkel: I do take these concerns seriously, but they are unfounded. I also find it interesting how quickly certain stereotypes can be roused – in German discussions as much as anywhere else. We refer to “the” Germans, “the” Poles, “the” French, “the” Spanish and “the” Greeks, and we imagine that we've got the people of each nation figured out. Wasn't the progress Europe had made precisely the fact that we had stopped pointing at one another and referring to “the” French or “the” Germans? There are lazy Germans and there are industrious Germans;

there are left-wing Germans and conservative Germans. There are those who support competitiveness and those who support redistribution. Germany is just as multifarious as all the other nations in Europe. We can put the old stereotypes out to grass.

*How has this extraordinary situation affected you personally? The Federal Republic of Germany has seldom, if ever, had a Chancellor with so much power. You have been called Madame Europa, the new Iron Chancellor and Mrs Bismarck. Do you find that disconcerting?*

Merkel: I do what I do to the best of my abilities. I spent 35 years living in a country whose economic and political ineptitude, thank God, in the end left it unable to survive, and which was swept away by the people's desire for freedom. I am deeply convinced that the EU, with its democracy, its human rights, its ideals of freedom and all its values, has a lot to give the people who live here as well as the world as a whole.

Right now, the EU still has 7 per cent of the global population. If we don't stick together, the things we say and believe will go pretty much unnoticed. That European idea of peace, values and prosperity is my motive for doing what I do, and that's why I don't want us just to muddle through this crisis. I don't want the EU to be a museum for all the things that used to be good; I want an EU which successfully strives to create new things. I know that this implies a massive change for some people, and that we will therefore need one another's support. If, however, we balk at these efforts, and just treat one another with kid gloves and water down any attempts at reform, we will definitely be doing Europe a disservice.

*The French have quite an emotional phrase to refer to the motivation behind the EU: le désir de l'Europe. You perhaps find such emotions a little strange – but could you nonetheless say that the EU is bound up with some sort of sentiment for you?*

Merkel: Naturally. Everything I do comes out of my firm belief that we are extremely fortunate to have the EU – and we need to preserve that good fortune. If it weren't for the EU, our generation might well have gone to war against one another as others did. For 35 years, until the Wall came down, I suffered the restriction of not being able to just pop across to Western Europe. It was my dream for that to be possible. This is my continent – a continent where people hold the same values dear that I do. This is a continent that can enable you help shape the world, and stand up for the things that will safeguard the future of humanity: human dignity, freedom of opinion, freedom of the press, the right to protest, sustainability in business

and mitigation of climate change. But this feeling about Europe will not be enough to give people prosperity and jobs. To achieve that, we need to be taking action day to day.

*Isn't it time for the grand vision, for your ten-point plan for Europe?*

Merkel: Take a look at the speech I gave at the Rome Treaties jubilee. That's where you'll find my declarations about the EU. But to come back to your musical metaphor, this is not the time to be talking about how lovely music is in general and how culturally important the orchestra is. If the global markets are a concert, we need to be playing in it. The markets want to hear some proper music.

*Is the United States of Europe part of your vision?*

Merkel: My vision is one of political union, because the EU needs to forge its own unique path. We need to become incrementally closer and closer, in all policy areas. After all, we keep noticing, with increasing frequency, that the issues which confront our neighbours involve us too. The EU is home affairs.

*How do you think that should be reflected in the EU's institutions and structures?*

Merkel: Over a long process, we will transfer more powers to the Commission, which will then handle what falls within the European remit like a Government of Europe. That will require a strong Parliament. A kind of second chamber, if you like, will be the Council comprising the heads of government. And finally, the supreme court will be the European Court of Justice. That could be what Europe's political union looks like in the future – some time in the future, as I say, and after a goodly number of interim stages.