A stabilising hegemonic power or coalition is vital for the EU to survive future crises and the rise of populism.

The European Union has been rocked by almost ten years of potentially crippling crises involving sovereign debt in the eurozone, the mass migration of refugees, Russian military intervention in Ukraine and Brexit. For the most part, how well the EU survived these crises was shaped by the role played in their management by its most powerful member state, Germany.

The international political economist Charles Kindleberger has argued that the stability of international systems such as the EU required a (benevolent) hegemonic power which exercised a strong influence over the rules governing the system, assumed a disproportionate share of the costs of shoring it up in crises and mobilised sufficient support for common policies among members by ‘bribery and twisting arms’.

The hobbled hegemon

Over the last decade, Germany played this role very effectively only during the Ukraine crisis, in which it was instrumental in the EU’s adoption and application of economic and financial sanctions against Russia. In the eurozone crisis, in contrast, its insistence on bailed-out states implementing tough austerity policies aggravated rather than alleviated the crisis, which was ultimately contained by the intervention of the European Central Bank.

Germany assumed a disproportionately large financial burden in the refugee crisis, but failed despite this to persuade most other member states to share this responsibility. Political asylum policies were effectively re-nationalised and the authority of the EU’s supranational organs, the European Commission and the European Court of Justice was defied and weakened. In the Brexit crisis, which threatens to produce the most significant instance of political disintegration in the EU’s history, Germany remained largely on the side lines.

Overall, domestic political, ideological and institutional constraints hobbled Berlin’s capacity to play the role of a stabilising regional hegemon and maintain existing levels of political integration.

With anti-European populist and nationalist movements on the rise in many member states, the EU’s long-term survival requires the emergence of a hegemonic coalition that, compared with Germany alone, would be able to provide more effective, inclusive and legitimate regional leadership.


A rejuvenated Franco-German coalition
The EU’s political integration was previously driven by a strong Franco-German coalition. France and Germany together were the primary architects for the closer integration of monetary, foreign, security, justice and home affairs policies. However, as France grappled with its growing domestic economic and political problems during the last decade or so, the EU was forced to fly increasingly on its German ‘engine’ alone.

The victory of Emmanuel Macron in the 2017 French presidential elections and the return to office of the Grand Coalition of pro-European Social Democrats and Christian Democrats after Germany’s most recent parliamentary elections provided an opportunity for these countries to revive the Franco-German ‘tandem’. With Macron, France chose its most fervently pro-European president in the history of the Fifth Republic; he is less constrained than his predecessors by Eurosceptic currents in his own political party and political base.

**A Weimar Coalition**

Although a rejuvenated Franco-German coalition appears the most feasible political option and therefore the obvious choice, it may not be able to woo the Central and Eastern European member states, given the vast gap between their own and French and German visions for Europe. In principle, the political base of such a coalition could be widened and made more inclusive by the addition of Poland. This could be called the “Weimar Coalition”, taking its name from the German town where triangular cooperation between France, Germany and Poland was launched in 1991. Poland’s status as the largest Central and Eastern European member and its close relationship with other member states in the area would give such a coalition more legitimacy than one embracing only France and Germany.

However, since the election of the ultra-conservative and Eurosceptic Law and Justice party in Poland the Weimar Triangle has withered. The last trilateral talks involving ministers from the three governments, for example, was held in 2015. Without a change in the domestic balance of power in Poland, a pro-European coalition of these three states will remain politically impossible.

**A new Hanseatic Coalition**

The third conceivable coalition could be named after the medieval association of trading cities stretching from the Netherlands in the west to the Baltic Sea in the east. This coalition would include Germany and the eight northern European member states whose finance ministers began to meet in early 2018 to discuss alternative proposals to those of France and Germany for reforming the eurozone.

On monetary, fiscal and EU budget policies, these states are closer to Germany than Germany is to France. However, given their divergent ideological positions and political interests, it is doubtful they could integrate and mobilise the support of either Southern or (other) Central and Eastern European members. Moreover, it is unlikely that Germany would risk its uniquely close bilateral relationship with France and a North-South split in the EU in favour of a closer one with a large group of much smaller member states.

**Rising threat of populist power**

The rejuvenation of the Franco-German alliance thus still offers the best chance of providing stability to Europe. Franco-German cooperation remains a powerful magnetic force in the EU and a bilateral Franco-German bargain can often still provide a template for a pan-Union agreement. Berlin and Paris together could provide a strong centripetal force to counteract the centrifugal tendencies generated by the rapid growth of populist, Eurosceptic parties.

These movements pose a major threat to European integration, which has been underpinned historically by the dominance of pro-European parties of the moderate left, right and centre in the EU member states. Neither France nor Germany is immune from this trend. In last year’s elections, the extreme right polled better than ever before in both countries. These parties will be quick to take political advantage of any re-emergent or new crises. The first extreme right party to win seats in the German Bundestag since the early 1950s is the Alternative for Germany (AfD), Germany’s largest opposition party.

Unless Berlin and Paris manage to weld Europe more tightly together and make it more crisis-resilient, it may soon be too late. They may have no more than a three-year window of opportunity to address this challenge. It could turn out to be less. In particular, a rejuvenated and a more balanced and equal Franco-German relationship presupposes that Macron succeeds in turning around the French economy. If, in the face of growing domestic opposition, he is forced to abandon his reform agenda, France’s credibility as a motor of closer European integration will be fatally undermined.

If Macron fails at home, as well he might, there will be no powerful new Franco-German coalition to promote closer European integration. In this case, if existing crises, which have largely been contained but not durably resolved, flare up again or new ones develop, they are likely to lead to much more European political disintegration than has already occurred in the last decade.
Douglas Webber is a Professor of Political Science at INSEAD.

Follow INSEAD Knowledge on Twitter and Facebook.

Find article at
https://knowledge.insead.edu/economics-finance/the-growing-danger-of-eu-disintegration-10621

Download the Knowledge app for free