

## A mess of Merkel's own making

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Oliver Hartwich | The New Zealand Initiative | 28 January 2016

Never let a good crisis go to waste. For a long time, this was the unofficial motto of the EU – whatever challenges it faced, overcoming them often enabled it to progress with the process of political and economic integration. It is true. Historically, the EU used to thrive under adversity.

The current European crisis is different. Or, actually, the current crises are. On multiple fronts the EU as an institution, as a project and as a promise, is under simultaneous attack. But unlike in previous times, the result will not be an EU rising like phoenix from the ashes. It will either be the end of the EU, or at least the end of the EU as we know it.

Despite its costs in the hundreds of billions, the euro crisis has not derailed the EU just yet. The continent's monetary, fiscal and banking problems have not been solved, of course. However, they were sufficiently abstract not to cause widespread popular unrest. Plus, by administering some ECB alchemy, they can at least be put on hold for a while.

With the refugee crisis engulfing Europe, it is different. More than a million migrants entering the EU mainly via Greece and Italy cannot be ignored, put on hold or inflated away. They have to be dealt with. They are visible. And they are posing serious questions to the way the EU and each individual member state regard themselves.

To understand how the EU is failing in the face of its migration crisis, you only need to know two numbers. The first is 160,000. This is the number of refugees in Italy and Greece that were supposed to be redistributed to other European countries, as a joint effort of burden-sharing. It was agreed at an EU summit in September last year. The second number is 331. These are the migrants that have actually been relocated under this scheme.

If the EU cannot even make a pledge for the entirety of asylum seekers, and if it then does not even follow up on it, then it is clear that EU-wide co-operation on these matters was always just wishful thinking.

Since the beginning of this year, the situation has become more difficult. The Cologne sex attacks on New Year's Eve, in which hundreds of mainly North African and Middle Eastern migrants turned the German city's centre into a lawless area, have turned public opinion against accepting additional migrants.

In Germany, the attacks have increased pressure on Chancellor Angela Merkel, who single-handedly (and probably unlawfully) opened the borders to refugees and would-be migrants. The Slovak government announced it would not accept Muslim migrants any longer. Finally,

Austria's government last week decided on a low annual cap for refugees beyond which they would no longer be granted asylum.

When it comes to dealing with refugees, it is now every country for itself – and all other EU countries against Germany. Never before, not even in the depths of the euro crisis, has Germany been as isolated as before. The Germans, and especially Chancellor Merkel, are blamed for causing or at least exacerbating the crisis by sending a signal to potential migrants that they would all be welcome. They even coined a phrase for it: Willkommenskultur ("Welcome culture").

Merkel has not only burdened her own country with the almost unmanageable task of absorbing, integrating or even just registering and policing more than a million asylum seekers in a year. She has also put the axe to the EU, not least the freedom of movement within the continent under its Schengen Agreement.

To many Europeans, the ability to travel freely between European countries without border controls and passports was synonymous with the achievements of the EU. Even more than the euro currency, Schengen was the embodiment of the value of Europe's common market. It made travel easy. It allowed people to live in one country and work in another. It facilitated cross-country value chains and just-in-time production.

As Merkel's refugees are now flowing into the continent, EU members are once again starting to protect their borders. They have to, if they do not want to be overrun. Merkel, meanwhile, finds herself in the role of the sorcerer's apprentice. If she tried to undo the welcome sign she put out, she would now trap hundreds of thousands of refugees on route to Germany. This could turn Balkan countries, and especially Greece, into failed states overnight since they would then have to deal with these people themselves instead of passing them on to the wealthier north of Europe.

The only hope for Merkel to politically survive this situation is also the least likely. She needs to find a European agreement to jointly deal with the crisis. This is not going to happen if EU members cannot even relocate more than 331 refugees.

Merkel also needs help from Turkey in stopping the flow – but last week's Turkish-German consultations did not suggest that this was going to happen anytime soon.

Finally, Merkel needs Greece to protect its sea border with Turkey. Again, you would not want to hold your breath.

Even professional EU optimists like Donald Tusk (President of the European Council) and Jean-Claude Juncker (President of the EU Commission) are sounding increasingly desperate. They are both on the record warning of an existential crisis to the EU – and they are right.

The problem is no-one knows what would follow the failure of the EU. All we know is that there is little time left to avert the collapse of this institution.

And while all of this is happening, the United Kingdom is flirting with an exit from the EU, the new Polish government is experimenting with a new form of authoritarianism and, in Portugal, the conservatives have failed to form a government despite their better-than-expected showing in last year's elections.

Politically and economically, Europe is burning. And the one person who deserves more blame than anyone else for the sorry state of the continent is the same who is regularly seen as the "most powerful woman in the world" or Time's "person of the year" – Angela Merkel.

Merkel's unwillingness to confront the failings of the monetary union despite an insistence on internal devaluation has destabilised Greece and is also responsible for the rise of extremist and populist parties across Europe. Her unilateralism on refugees is dividing the EU and has given rise to Eastern European nationalists. In her own country, her failed euro policies and her naive migration recipes are burdening taxpayers for generations to come.

Merkel may not politically survive the disaster she has created, and that would be well deserved. The collateral damage of her failing would be a Europe that sees the resurrection of nationalism, borders and political extremism. And it would be the end of the EU as we knew it.



*Dr Oliver Hartwich is Executive Director of [The New Zealand Initiative](http://www.nzinitiative.org.nz), the Wellington-based think tank formed by the merger of The New Zealand Business Roundtable and The New Zealand Institute. [www.nzinitiative.org.nz](http://www.nzinitiative.org.nz). Dr Hartwich is a member of [PortfolioConstruction Forum's core faculty of leading investment professionals](#).*

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