

## Economic Models in France and Germany and the Debates on the Maastricht Treaty

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The Maastricht Treaty was without any doubt an important turning point in the history of European Integration. It not only profoundly changed the institutional structure of the European Community that was reorganized and developed into the European Union based on a three-pillar temple construction, but also marked the beginning of the monetary union. The introduction of a common European currency implied the end of all national currencies in those member states that would join the monetary union and therefore led to intense national debates. “Maastricht” was therefore not only a turning point concerning the institutional development of the Community. The early 1990s marked also a turning point in public debate on European integration in the member states. European integration policy up to that point had been based on what was called “permissive consensus”, i.e. a general acceptance for the transfer of national sovereignty from national governments to supranational institutions in most member states. However, euro-scepticism had grown remarkably in the 1990s. There is until now no unanimity among scholars concerning the origins of this turning point: whereas some see the beginnings of euro-scepticism in the 1960s and 1970s triggered by debates on the inefficiency of the Common Agricultural Policy, others hint at the Single European Act that opened up European markets for services, labour and capital and therefore put internal markets under permanent reform pressure.<sup>1</sup> But without any doubt also the Maastricht Treaty and the project of monetary union triggered public debate and scepticism on European integration in general.<sup>2</sup> The Danish referendum rejecting the treaty and monetary union in particular, the British opt-out and also the debate in France that took place before the referendum (even though the treaty was accepted by a short majority) reflected the growing scepticism among the population. This scepticism, however, remained diffuse. Even though many people were wary of the growing influence of supranational institutions on their respective country, they could not precisely explain why.

This article will examine arguments of euro-scepticism in France and Germany concerning the Maastricht Treaty in the middle of the 1990s. It will focus on the debates on monetary union and analyze the arguments against the EMU in France

1. L.M. McLAREN, *Identity, Interests and the Attitude to European Integration*, Palgrave Macmillan, Basingstoke, 2006, p.8; A. LAUMEN, A. MAURER, *Jenseits des “Permissive Consensus”*. *Bevölkerungsorientierungen gegenüber Europäischer Integration im Wandel?*, Stiftung Wissenschaft und Politik, Berlin, 2006, p.5. On euro-scepticism in general: B. WASSENBERG, F. CLAVERT, P. HAMMAN (éds), *Contre l’Europe? Anti-européisme, euroscepticisme et alter-européisme dans la construction européenne de 1945 à nos jours: les concepts*, vol.1, Franz Steiner Verlag, Stuttgart 2010.
2. K. REIF, *Ein Ende des „Permissive Consensus“? Zum Wandel europapolitischer Einstellungen in der öffentlichen Meinung der EG-Mitgliedstaaten*, in: R. HRBEK (ed.), *Der Vertrag von Maastricht in der wissenschaftlichen Kontroverse*, Nomos, Baden-Baden, 1993, p.25.

and Germany. By this it will try to illuminate the background of euro-scepticism in this particular debate.

The article will mainly focus on economic arguments against monetary union in France and Germany. Since the foundation of the European Coal and Steel Community there has been in both countries a traditional scepticism among leading economists and public intellectuals against European economic integration, the European Economic Community and later against the EMU. Even though, for political reasons, both governments supported and even pushed for European supranational integration, European supranationalism in both countries was considered a menace for the respective economic philosophy. Whereas important German economists regarded the European Monetary Union as an attack on the German system of “*Soziale Marktwirtschaft*”, the French opposition was convinced that this was a threat to the system of “planification”. But what was the object of criticism in particular? Why did they reject the EMU and what were their arguments? Who were these critics?

In our answer we will argue that the Maastricht Treaty and the Monetary Union in particular were considered as harmful for the economic philosophies of France and Germany. A first chapter will explain the emergence and significance of economic philosophies for the economic organization and the cultural identity of a country. It will show how these philosophies had developed in the 1950s and how they became important elements of national identity in France and Germany. A second chapter will analyze in detail the arguments used by French and German critics against the Maastricht Treaty and the European Monetary Union in particular. Finally the article will show why the early 1990s, i.e. the “Maastricht period” must be considered as a turning point for the public perception of European Integration from a permissive consensus to a more critical view on European supranationalism.

## **Economic philosophies and their relevance to national identity in France and Germany**

Economic philosophies play a threefold role in public life: firstly, from a scientific point of view they provide an instrument of analysis and explanation. Models like Keynesianism or Neoliberalism are ethically and philosophically rooted sometimes normative approaches to economic life in general. From an empirical point of view, economic philosophies are theoretical constructs representing economic processes.

Secondly, they have a political meaning. Seen from this angle, economic philosophies provide an intellectual framework for economic or political decisions in a given polity. They help political actors to find a solution for specific problems by giving a general orientation.

This article, however, will deal with a third function of economic philosophies that is their cultural significance. An economic philosophy in this context is part of

the political culture in which politicians, officials and intellectuals have been socialized and in which they operate.

“The political culture of a society consists of the system of empirical beliefs, expressive symbols, and values which define the situation in which political action takes place. It provides the subjective orientation to politics”.<sup>3</sup>

Thus defined, political cultures vary in different ways: they are different across classes, generations and nations and therefore explain to a certain extent why there are differences in people’s behaviour.<sup>4</sup> But they not only vary across social groups but also in time. It is therefore important to see that there is a constant change in the economic models, they are developing permanently. Economic philosophies are a particular form of political culture. The analysis of political cultures permits to uncover the deeper motives lying behind political decisions.

The method applied here to define the impact of economic philosophies is therefore a particular form of discourse analysis. For the economic sector this means that we try to highlight the deeper motives and the overall context of economic debates. We will particularly pay attention to some key-words, symbols and values in the debates and try to show their deeper meaning. This again permits a deeper insight into the significance of the debates on monetary union in France and Germany in the 1990s. Furthermore, we have to take a closer look at the vehicles for the creation and transmission of economic philosophies in France and Germany. Here the role of public intellectuals, the media and their relation to political decision will be focused.

Using this theoretical approach we are, however, well aware of the limits of cultural analysis. It is obvious that, compared to economic and political history, cultural analysis is often too sweeping to pinpoint and conceptually describe an economic system. Even though cultural patterns undoubtedly play a major role in economic systems and human behaviour within these systems, these patterns however are difficult to describe. In order to avoid these problems it is important to develop a clear model of analysis, a precise definition of what is meant by a cultural basis of economy. For our purpose it makes sense to revert to the model of “*Wirtschaftsstile*” that has been developed by German economists of the so-called “Historische Schule” in the 19<sup>th</sup> century,<sup>5</sup> which rely on the cultural basis of economic policy. Werner Sombart described an economic mentality in which “alle Wertvorstellungen, Zwecksetzungen,

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3. G.A. ALMOND, *Sidney Verba, The Civic Culture. Political Attitudes and Democracy in Five Nations*, Little, Brown & Co, Boston, 1965, p.513.

4. P.A. HALL, *Governing the Economy. The Politics of State Intervention in Britain and France*, Oxford University Press, Oxford, 1986, p.8.

5. A. MÜLLER-ARMACK, *Stil und Ordnung der Sozialen Marktwirtschaft*, in: A. MÜLLER-ARMACK (ed.), *Wirtschaftsordnung und Wirtschaftspolitik. Studien und Konzepte zur Sozialen Marktwirtschaft und zur Europäischen Integration*, Rombach, Freiburg 1966, pp.231-242; W. STREECK, *Re-forming capitalism. Institutional Change in the German Political Economy*, Oxford University Press, Oxford, 2009.

Maximen, die in den die Wirtschaft gestaltenden Personen lebendig werden”.<sup>6</sup> Alfred Müller-Armack spoke of a “Wirtschaftsstil [...] wo die Erscheinungsformen im Bereich des Sozialen und Wirtschaftlichen den Ausdruck einheitlichen Gepräges aufweisen”.<sup>7</sup> Günther Ammon developed an approach based on a cultural and an anthropological basis and defined the *Wirtschaftsstil* as “ein Gefüge von Symbolen, das als Ganzes auf das gesellschaftsspezifische Sinnverständnis verweist”.<sup>8</sup> From this point of view, a *Wirtschaftsstil* is a texture of key words and symbols developing national economic systems that play a decisive role in the creation of national identity. Seen from the perspective of a *Wirtschaftsstil*, economic instruments (as for instance a national currency) and economic institutions (e.g. Central Banks) are not only part of an economic system, but symbols of national identity. They are instruments that grant a deeper sense to economic policy in general. On the basis of these approaches the article uses a definition of economic culture which depends on three elements.

First, the economic and political history of a country, the economic experience of the population and the political and economic elite. Economic policy is strongly influenced by this collective experience in a negative or positive way. The German experience of inflation in the 1920s had without any doubt a strong influence on the policy of deflation of the governments in the late Weimar Republic. The same applies in a positive way to the experience of exceptional economic growth in the 1950s, a period which since the 1970s was transfigured as an economic miracle (“Wirtschaftswunder”). Historical experience and its collective interpretation from a present day perspective is an important element of economic culture.

A second important element is provided by the institutions of an economic system in a wider sense. This aspect refers to the educational system, government and economy institutions, social partners, the role of markets and Central Banks. It refers also to the role of state actors in the economic system, the role of private enterprises and the media system. In a wider sense the values and objectives of economic policy also play a role. These institutions are strongly interrelated with specific terms as for instance “*Colbertisme*” in France and *Soziale Marktwirtschaft* in Germany.

A third aspect of economic culture is the tradition of economic theory. Even if economic research is more and more internationally organized (with a strong dominance of Anglo-American approaches) there is still a national tradition of economic thinking in France and in Germany. These German and French traditions of economic thinking are also related to national identity of both countries and played a major role in the national discussions on the Maastricht Treaty and Monetary Union in the 1990s.

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6. W. SOMBART, *Der moderne Kapitalismus. Historisch-systematische Darstellung des gesamteuropäischen Wirtschaftslebens von seinem Anfang bis zur Gegenwart*, vol.1, Duncker und Humblot, München, 1986 (first published in 1902), p.16.
  7. A. MÜLLER-ARMACK, *Religion und Wirtschaft. Geistesgeschichtliche Hintergründe unserer europäischen Lebensform*, W.Kohlhammer, Stuttgart, 1959, p.57.
  8. G. AMMON, *Der französische Wirtschaftsstil*, Eberhard, München, 1989, p.24.

## The French *Wirtschaftsstil* and the Debates on the Maastricht Treaty in the 1990s

The principal elements characterizing the French *Wirtschaftsstil* of the 1990s emerged in the immediate after war period between 1944 and 1950. It was a period of reconstruction not only in the economic sense but also from a political point of view. The traumatic breakdown of the Third Republic in spring of 1940 and the virtual civil war between 1941 and 1944 necessitated the foundation of a new state. The institutional and ideological centrepiece of economic reconstruction became the “Commissariat Général du Plan” under the presidency of Jean Monnet.<sup>9</sup> Even though Monnet was not committed to a particular economic ideology, “planification” quickly became the “French” system of economic organization. From a technical point of view the *Commissariat Général du Plan* was meant as an institution to solve the problem of imperfect information in market economies by giving guidance and providing specific information for the actors on the markets. The theory of “planification” had already been developed during the great depression in France in the 1930s in order to find an answer to the serious economic problems of the country.<sup>10</sup> As a member of the *France Libre* government led by Charles de Gaulle during World War II, Monnet developed the idea of a *Commissariat Général du Plan*, a public institution giving guidelines to the actors in a market economy. The *Commissariat Général du Plan* was founded immediately after the liberation of the country in 1944.

From the viewpoint of an historian this was nothing unusual in Western Europe after the war. Just like France, Great Britain, Western Germany, as well as the Scandinavian countries and Italy also adopted mixed economies after the war. They all proved to be quite successful. The origins of the economic boom of the 1950s and 1960s in Western Europe are manifold, but in the public perception they were first of all based on the particular national economic system. This was one reason why “planification” became part of the French national identity.

But even though the institution (*Commissariat Général du Plan*) and the notion of “planification” were new, key actors stressed the continuity of the French economic tradition. As Pierre Rosanvallon has shown, there was a Keynesian revolution in French economic policy.<sup>11</sup> Even though it underwent some important changes, the principles continued to apply until the 1990s. But why did many public intellectuals and politicians stress the elements of continuity? According to the German scholar Günther Ammon their arguments were based on the following elements: in contrast to liberal economic and political thinking, in France there was no separation between

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9. E. ROUSSEL, *Jean Monnet 1888-1979*, Fayard, Paris, 1996, p.436; C. GRUSON, *Origine et espoirs de la planification française*, Dunod, Paris, 1968; É. QUINET, *La planification française*, PUF, Paris, 1990; F. SAMMETH, *Der Wiederaufbau und die wirtschaftliche Entwicklung Westdeutschlands (BRD) und Frankreichs im Vergleich 1944/45 bis 1963*, Verlag Dr. Kovacs, Hamburg, 2005.
  10. P. MIOCHE, *The Origins of the Monnet Plan*, EUI Working Paper N°79, Florence, 1984; E. ROUSSEL, op.cit., pp.432-433.
  11. P. ROSANVALLON, *Der Staat in Frankreich. Von 1789 bis heute*, Westfälisches Dampfboot Verlag, Münster, 2000, pp.174-175 (first published in Paris 1992).

the economic and political sector of public life.<sup>12</sup> Economic questions are political questions and therefore have to be treated within the political system. This is a result of the French tradition of republicanism. It is also the reason why the state has to play an important role in economy. Whereas liberal theorists argue that the state should refrain from intervention in the economic system, republicans stress the guiding role of a democratically controlled public administration for the markets. But the French system is by no means an authoritarian socialist system comparable to the communist dictatorships in Eastern Europe between 1945 and 1990. Public administrations act as driving forces for the private economy, they give incentives for private action and guidelines for the overall development of the economy. French economic planning involved first of all the creation of norms rather than the delineation of choices.<sup>13</sup> The economic elite had therefore to be trained by the state and the *École Nationale d'Administration* in particular. These “*énarques*” play an important role in the public administration and the management of huge enterprises that are also at least partly owned by the state. Even though details of the system are discussed among scholars, there is no doubt that these are the intellectual pillars of the French economic system since 1944. It is, however, important to see that these principles did not enforce a real economic policy. It allowed a policy of austerity in the 1970s under the presidency of Valéry Giscard d’Estaing as well as the socialist redistributive Keynesianism in the early Mitterrand years of the 1980s.<sup>14</sup>

For the subject in question it is however important to see that “*planification*” and the state centred economy, irrespective of their role for economic decision making, became also part of the national French identity. From the middle of the 1950s onward European integration within the framework of the EEC became therefore a menace to the French *Wirtschaftsstil*. An early example for this was given by the socialist Minister for Economy Paul Ramadier who commented on the first drafts of the European Economic Community treaty by the so called Spaak Committee in the middle of the 1950s:

“L’Ouverture d’un véritable marché commun conforme aux règles prévues par le rapport de Bruxelles condamne de la manière la plus sévère les pratiques protectionnistes grâce auxquelles la reconstitution industrielle de la France a été possible et qui sont manifestement indispensables à notre agriculture. C’est la position traditionnelle de la France. On compterait aisément les années qui depuis le XVII<sup>e</sup> siècle se sont écoulées sous un régime de libre-échange. L’expérience tentée sous Louis XVI, renouvelée sous Napoléon III a toujours donné de médiocres résultats. On peut affirmer que sans le protectionnisme intensif des années qui ont suivi la Libération, le relèvement français n’eût pas été possible”.<sup>15</sup>

12. G. AMMON, op.cit., pp.115-225.

13. P.A. HALL, op.cit., p.161.

14. R. LASSERRE, *Union monétaire – Währungsunion*, in: J. LEENHARDT, R. PICTH (eds), *Au Jardin des Malentendus. Le Commerce franco-allemand des idées*, Actes Sud, Paris, 1997, pp. 419-426.

15. Archives Départementales d’Aveyron, Fonds Ramadier, 52J114, Note sur le Marché Commun, 24.05.1956.

The arguments of Ramadier reveal important elements of the French *Wirtschaftsstil* that developed after World War II. The first important element is the reference to history. Political intervention of the state is interpreted as part of the French tradition, of what has been called “exceptionnalité française”. To justify his opposition against the proposals of the Spaak Committee, Ramadier argues that there has been a traditional French economic model from the age of absolutism in the 17<sup>th</sup> century up to the 1950s. According to this interpretation the reconstruction policy after 1944 and state intervention in particular have been fully in line with this tradition. The adoption of the liberal Spaak proposals would have meant a blow against French tradition and therefore against an important part of French national identity.<sup>16</sup>

“Ce principe [i.e. liberalism] est directement contraire au développement de l'économie collective, qui suppose une organisation systématique de l'économie d'un ou plusieurs pays, sous une direction démocratique”.<sup>17</sup>

Ramadier recalled the times when French economic policy had been extremely successful, the time of Louis XIV in the 17<sup>th</sup> century and the time of reconstruction after World War II. This is exactly what Eric Hobsbawm once called an “invention of tradition”.<sup>18</sup> Protectionism became thus a part of French economic identity, the liberal approach of the Common Market being therefore considered as an attack on French identity. Two important elements of the French *Wirtschaftsstil* can be found in this document: the reference to national history and the justification of existing institutions.

The French *Wirtschaftsstil* roughly described above also set the framework for the intensive discussions on the Maastricht Treaty and the monetary union in the 1990s. The public debate on the Maastricht Treaty started in France on 3 June 1992, when President François Mitterrand announced a referendum on the treaty. The early debate, however, was very much dominated by internal French policy with only little reference to the treaty itself. The referendum therefore quickly turned into voting for or against Mitterrand and his general policy. On 20 September 1992 the French electorate accepted the treaty with a short majority of 51.05 per cent. But the referendum did not end the public debate that instead continued and reached its climax in the middle of the 1990s on the occasion of the so called Stability and Growth Pact adopted as an amendment to the Maastricht Treaty in 1997. The states adopting the Euro would have to meet four convergence criteria and the Stability and Growth Pact was meant to ensure that the member states observed them afterwards. In contrast to the first French debate in 1992, the second debate in the middle of the 1990s dealt precisely with questions about the monetary and economic consequences of the Maastricht

16. See for details G. THIEMEYER, *Europa zwischen Smith und Colbert. Wirtschaftsordnungen in Deutschland und Frankreich als politische Mythen und ihre Folgen für die europäische Integration*, in: J. RÜSEN (ed.), *Kulturwissenschaftliches Institut. Jahrbuch 1997/98*, Kulturwissenschaftliches Institut im Wissenschaftszentrum Nordrhein-Westfalen, Essen, 1998, pp.161-174.

17. Note sur le Marché Commun, 24.05.1956, op.cit.

18. E. HOBSBAWM, T. RANGER, *The Invention of Tradition*, Cambridge University Press, Cambridge, 1992.

Treaty. They focused therefore on two main subjects, monetary policy on the one hand and budgetary (fiscal) policy on the other.

The French debate on the Maastricht Treaty must be seen as part of a general discussion on French national identity in the 1990s.<sup>19</sup> As most European nations, France also was deeply shocked by the fundamental political and economic changes following the end of the Cold War, German unification and the new wave of globalization in the early 1990s. Not only the French *Wirtschaftsstil*, but the whole political philosophy of the country was put into question in an intensive debate. Globalization and the so called neo-libéralisme were considered as a threat to the French model of republicanism. As a consequence, a neo-republican debate started in the early 1990s. In this context, the Maastricht Treaty and the monetary union were considered to be part of a general change in Western Europe and the world as a whole. This was not only an intellectual debate but a whole process which included long and intensive strikes and protests against the economic and monetary policy of the Juppé government.<sup>20</sup> Public intellectuals blamed the government for putting the country under a “pensée unique”, that became a metaphor for the rules set up by the Maastricht Treaty and the Stability and Growth Pact.<sup>21</sup>

All in all, the French debate was characterized by four major positions:<sup>22</sup> a first group was called “Anti-Maastrichtiens” (Jean-Pierre Chévènement, Philippe Séguin and others) assembling those who principally rejected the treaty. On the monetary sector they argued that a stable currency according to the Bundesbank model would entail important disadvantages for French enterprises on the international markets. The rigid budgetary policy as demanded by the Stability and Growth Pact was considered as harmful for the French economic system. The public deficit could only be reduced under the conditions of an economic growth above 3% of the GDP. A second group was called “Sociaux-sensibles” (Laurent Fabius, Jacques Attali and others). They agreed in principle with the rigid convergence criteria but on a long-term perspective. States like Italy or Spain would not be able to cope with the rigid monetary and budgetary policy but for political reasons it would be impossible to exclude them from the start of the monetary union. Apart from that, it would be necessary to maintain the social standards of the European states. A third group, called the “Maastrichtiens conservateurs” (President François Mitterrand and others) supported the monetary union mainly for political reasons. The economic consequences – monetary stability and budgetary rigidity -, were considered as difficult but favourable for the French economy. A last group, the “Libéraux” (e.g. Alain Madelin), a minority in

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19. F. BEILECKE, *Diskursive Rehabilitierung des republikanischen Modells und Neoliberalismus-Kritik in der französischen Presse seit 1990*, in: *Frankreich Jahrbuch 1998*, Leske und Budrich, Opladen, 1998, pp.97-112.
  20. R. HÖHNE, *Aufstand der Privilegierten oder Verteidigung des Sozialstaats? Der Sozialkonflikt vom November/Dezember 1995*, in: *Lendemains*, 81(1996), pp.107-122.
  21. R. HÖHNE, *Neorepublikanischer Diskurs und nationale Identität. Eine aktuelle Kontroverse*, in: *Frankreich Jahrbuch 1998*, op.cit., pp.113-120.
  22. Dossier Questions et Familles, in: *Le Monde*, 17.12.1996.

France, supported the Maastricht convergence criteria as well as the Stability and Growth Pact for economic reasons.

The French Maastricht debate in the middle of the 1990s was very much influenced by the German question.<sup>23</sup> The Maastricht Treaty and the monetary union in particular were interpreted by the “Anti-Maastrichtiens” as an instrument that would assert German superiority in Europe and France. Laurent Fabius, a Socialist and former Prime Minister, therefore argued that it would be necessary to renegotiate the convergence criteria of the Maastricht Treaty in cooperation with Germany. It would be necessary to enter into “an open debate” with Germany about monetary policy being used as an instrument to support economic growth.<sup>24</sup> He was supported by the Gaullist president of the Assemblée Nationale, Philippe Séguin, who also argued that the monetary and budgetary rigidity stipulated in the Maastricht Treaty was a menace not only to France but to the whole European Union.<sup>25</sup> For the editorial journalist Lucas Delattre, a Germany expert and former correspondent in Berlin for *Le Monde*, Maastricht was a milestone on the German way to leadership in Europe.

“La construction européenne ne signifierait plus seulement, pour l’Allemagne, la possibilité de reprendre l’initiative et de maîtriser à nouveau son destin; l’Europe représenterait également le levier de la puissance allemande, qui se sentirait, une fois de plus, trop à l’étroit dans ses frontières. Autrement dit, après plus d’un siècle de conflits meurtriers en Europe, il est possible de penser que l’Allemagne parvient grâce à Maastricht à réaliser son objectif de toujours – la stabilité de l’Europe au service des exportations allemandes et la paix – par des moyens non militaires”.<sup>26</sup>

Maastricht from this perspective was nothing less than the continuation of the German hegemonic policy that had begun in 1914, but this time within a different framework. The principal aim, according to Delattre, was political and economic (monetary) stability in order to secure export markets for German industry. Even though Delattre was fully aware of the fact that in 1990 the political system of the Federal Republic of Germany had nothing to do with the German Reich and Nazi Germany, there was in his eyes nevertheless a structural continuity. Whereas Nazi Germany aimed at European leadership on a racist basis, the Federal Republic gained European hegemony on an economic basis. A key role in this concept was provided by the economic system of Federal Germany:

“L’Allemagne continue à faire confiance aux recettes qu’elle a adoptées depuis 1945, résumées en une seule doctrine: «l’économie sociale de marché». Cette doctrine d’État [...] assure la prédominance de la «raison économique» dans le pays. Une idéologie résumée par Hans Barbier, le très influent chef du service économique de la *Frankfurter Allgemeine Zeitung*, qui explique que «ce qui n’est pas exact sur le plan économique ne peut pas l’être politiquement non plus”.

23. U. GUÉNOT, *Deutschland, Frankreich und die Währungsunion. Einige sorgenvolle Anmerkungen zum Stand der Diskussion*, in: *Dokumente*, 52(1996), pp.448-455.
24. L. FABIUS, *Une dernière chance de sauver l’Europe*, in: *Le Monde*, 07.09.1996.
25. P. SÉGUIN, *Europe: Voici pourquoi Laurent Fabius a raison*, in: *Le Monde*, 19.09.1996 and *La république et l’exception française*, in: *Philosophie politique*, 4(1993), pp.45-62.
26. L. DELATTRE, *La logique allemande*, in: *Esprit*, Mai(1996), pp.10-23, here: p.15.

Here we find one of the key elements of French preoccupation concerning the Maastricht Treaty. The Monetary union and in particular the convergence criteria were interpreted as instruments to implement the German economic model on a European level. But according to Delattre this model was not compatible with the French *Wirtschaftsstil*:

“Les élites [allemandes], elles, rêvent bien entendu des États-Unis, mais aussi plus récemment, de Singapour. Dans le premier cas, c’est la prééminence du droit qu’on apprécie, dans le second, les performances économiques mais aussi la discipline morale. On observe peu de fascination, en tout cas, pour un modèle politique volontariste à la française”.<sup>27</sup>

From this point of view the German model of Social Market Economy is just the opposite of the French economic system. Whereas the German model was based on the primacy of the economic sector over the political domain, the French system was right on the contrary constructed according to the principle of political dominance over economy.<sup>28</sup>

This was also one of the principle arguments of Jean-Pierre Chevènement, one of the most important opponents of the Maastricht Treaty in France. As a left wing republican, he argued that Maastricht provided the proof that the French system was in a crisis. In his eyes the planned monetary union would be a dead end for France and European integration,<sup>29</sup> as in his eyes it was fundamentally opposed to the French tradition of economic and political thinking.

“L’actuelle majorité a abandonné la politique monétaire et la fixation des taux à une Banque de France dite indépendante, démission majeure dont tous les tenants de Maastricht portent la responsabilité solidaire. Ainsi a été anéantie une des œuvres maîtresses du Front populaire et de la Libération”.

As in 1956, in the paper by Paul Ramadier, we find again the reference to the French history, now connected with the Front Populaire of the 1930s and once more with the liberation of 1944. Both events mark important points of reference for the identity of the fifth French Republic and for left wing republicans in particular. From this point of view, the Maastricht Treaty, the monetary union and the convergence criteria were not only harmful to the French economic system, but they were considered as an attack on French national identity.

“Le passage à la monnaie unique n’est qu’en apparence une affaire technique. La monnaie est en réalité au cœur de la souveraineté. Une monnaie unique commune à deux nations ne peut durer que si elle asservit la plus faible. Elle crée, en effet, un engrenage. Elle implique l’harmonisation des politiques budgétaires, et, à partir de là, de toutes autres politiques. [...] Dès lors, c’est la légitimité même de l’État qui se trouve progressivement mise en cause”.<sup>30</sup>

27. Ibid., p.23.

28. P. THIBAUT, *L’Europe allemande... Définitivement?*, in: *Esprit*, 221(1996), pp.53-64.

29. J.P. CHEVÈNEMENT, *France Allemagne. Parlons Franc*, Plon, Paris, 1996, p.162.

30. Ibid., pp.165 and 170.

The transfer of monetary sovereignty from the nation state to the European Central Bank was therefore perceived as a menace to France and its political identity. From this standpoint, the entire French nation was put into question. These arguments were principally shared by Gaullist politicians as for instance Philippe Séguin.<sup>31</sup> Like Chevènement on the left side of the political spectrum, he considered the transfer of monetary sovereignty a fundamental attack on French identity. In March 1993 he even asked himself whether France would still exist in the year 2000.<sup>32</sup>

Not only politicians, but also French economists fought against the Maastricht Treaty. One important example was Maurice Allais who won the Nobel memorial prize in economic sciences in 1988. In several articles published between 1992 and 1994 mainly in *Le Figaro*, he criticized the treaty for several reasons: firstly, in his eyes it was not democratically legitimized.

“L’application du Traité de Rome s’est accompagnée d’une dérive technocratique, dirigiste, centralisatrice, unitaire et jacobine de la Communauté Européenne. Des décisions majeures ont été prises sans qu’aucun débat démocratique réel ait pu prendre place. Cette dérive et ces perversions ne peuvent qu’être accentuées par l’application du Traité de Maastricht”<sup>33</sup>

Secondly, the objectives named by the treaty were irreconcilable. On the one hand the treaty pleaded for monetary stability, on the other hand for general support of the economic policy by the member countries. This would inevitably lead to contradictions and difficulties. Thirdly, Allais saw the Maastricht Treaty as an element of the general tendency toward free trade liberalism in the world economy. This, according to him, would lead to economic instability and unemployment. The arguments brought forward against the Maastricht Treaty by Allais are good examples for the French *Wirtschaftsstil* of the 1990s. Again we find the reference to history, in particular the French Revolution (reference to Jacobinism) and the major idea of democratic control of international (monetary) markets.

All in all, the French opposition against the Maastricht Treaty and the monetary union was characterized by three elements:

Firstly, there was a certain interpretation of the French history since the Revolution. Jean Pierre Chevènement, Paul Ramadier and also Maurice Allais saw themselves as being part of a long tradition that could not be given up without renouncing the identity of the French state itself. The traditions of the *Colbertisme* (Ramadier) the Front Populaire and liberation (Chevènement) served as key elements of a national economic tradition. The French *Wirtschaftsstil* therefore was based on a certain interpretation of national history.

31. C. BANERJEE, *Will Paris wirklich die gemeinsame Währung? Zweifel und Alternativvorstellungen bei den Gaullisten*, in: *Dokumente*, 51(1995), pp.411-416.

32. RPR, *La France que nous voulons avec le RPR*, mars 1993, p.12.

33. M. ALLAIS, *Quatre Raisons Majeures et Impératives de ne pas ratifier le Traité de Maastricht*, in: *Le Figaro*, 06.09.1992. See also: M. ALLAIS, *Combats pour l’Europe 1992-1994*, Clément Juglar, Paris, 1994, p.41.

Secondly, one could observe a certain perception of Germany and its political and economic system. The liberal Common Market in the 1950s and the Monetary Union in the 1990s were interpreted as being influenced by the German economic model of the “Social Market Economy” and as such a German attack on the French model of “planification” and the French economic tradition in general. For Chevènement, Séguin and many others, Maastricht had become a symbol of German intellectual and institutional hegemony in the European Union. The monetarist theory, i.e. the primacy of monetary stability among the objectives of economic policy was considered as a menace to the French *Wirtschaftsstil*.

Thirdly, the argument of a missing democratic control of the economy and the European Central Bank in particular played also a major role.

### The German *Wirtschaftsstil* and the debates on monetary union in the middle of the 1990s.

Even though there was no referendum held in Germany on the Maastricht Treaty, an intensive debate on European integration and the monetary union in particular took nevertheless place. As in France, the years of 1995 and 1996 marked the culminating point of the debates. And just like in France, the German debate was framed by a particular German “*Wirtschaftsstil*” that was part of the national identity of the country.

This German “*Wirtschaftsstil*” originated in the 1950s. The total defeat in 1945 of Nazi Germany and the division of the country in the year 1949 necessitated the foundation of a totally new political and economic system. Under the influence of the United States government and the first Minister of Economy, Ludwig Erhard, the Federal Republic of Germany adopted an economic system that soon became known as *Soziale Marktwirtschaft*.<sup>34</sup> *Soziale Marktwirtschaft* originally is a notion created by the German economist Alfred Müller-Armack in order to describe an economic system in which the freedom of markets and the *laissez-faire* liberalism are combined with social protection.<sup>35</sup> Originally, the theory rested on two pillars: first, ordoliberalism, a theory developed in the 1930s by a group of German and Austrian

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34. G. AMBROSIUS, *Die Durchsetzung der Sozialen Marktwirtschaft in Westdeutschland 1945-1949*, DVA, Stuttgart, 1979; W. ABELSHAUSER, *Des Kaisers neue Kleider? Wandlungen der Sozialen Marktwirtschaft*, Roman-Herzog-Inst., Munich, 2007; H. LAMPERT, *Die Wirtschafts- und Sozialordnung der Bundesrepublik Deutschland*, Olzog, Landsberg, 1990, p.88.
35. A. MÜLLER-ARMACK, *Soziale Marktwirtschaft*, in: E. von BECKERATH, C. BRINKMANN, H. BENTE, *Handwörterbuch der Sozialwissenschaften*, vol.9, G. Fischer Verlag, Stuttgart, 1956, pp.390-392.

economists as a response to the crisis of liberalism since the end of the 1920s.<sup>36</sup> The second pillar is the Catholic Social Teaching developed since 1891 and providing social security.<sup>37</sup>

This concept was picked up by Erhard and the Ministry of Economy in the Western German election campaign of 1953 to describe the economic system of the Federal Republic and the CDU.<sup>38</sup> In this context it became the economic program of the conservative party, the German Christian democrats, and later on also of the liberal party FDP. This proved to be highly successful. The *Soziale Marktwirtschaft* became a symbol of economic success, the so-called “Economic Miracle” (“Wirtschaftswunder”).<sup>39</sup> In 1959 therefore also the Social Democrats SPD adopted the expression of *Soziale Marktwirtschaft* to describe their respective economic concept even though it differed significantly from the Christian Democrat concept. In the 1990s, that is the period of intensive debate on the Maastricht Treaty in Germany, all German political parties from the extreme left (PDS, successor of the East-German Communist party SED) to the liberal FDP advocated *Soziale Marktwirtschaft* as their economic point of reference. It is clear that there were considerable differences concerning the respective parties’ concept of economic policy, but all of them referred to the *Soziale Marktwirtschaft*.

This shows that the *Soziale Marktwirtschaft*, apart from the theoretical concept developed by Müller Armack and others, had become a formula to describe the extremely successful German economic system. The expression became central during the CDU election campaigns of 1953 and 1957 and was presented as the origin of the stupendous economic recovery of Western Germany at the time.<sup>40</sup> As a matter of fact, there was no coherent economic system in Western Germany.<sup>41</sup> Economic history has therefore made the difference between a phase of ordoliberal dominance in Western German economic policy from 1949 to 1966, a phase of Keynesianism from 1967 to 1983, and a second phase of ordoliberalism from 1983 to 1990. The Treaty on

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36. G. AMBROSIUS, *Der Neoliberalismus und die europäische Fundamentalkrise zwischen 1914 und 1945*, in: H. SCHOLTEN (ed.), *Die Wahrnehmung von Krisenphänomenen. Fallbeispiele von der Antike bis in die Neuzeit*, Köln, 2007, pp.251-266; M. WEGMANN, *Früher Neoliberalismus und Europäische Integration. Interdependenzen der nationalen, supranationalen und internationalen Ordnung von Wirtschaft und Gesellschaft (1932-1965)*, Nomos, Baden-Baden 2002.
37. C.E. CURRAN, *Catholic Social Teaching, 1891 to the present*, Georgetown University Press, Washington, 2002.
38. V. HENTSCHEL, *Ludwig Erhard. Ein Politikerleben*, Olzog, Landsberg, 1996, p.197; P. COMMUN, *La conversion de Ludwig Erhard à l'ordolibéralisme*, in: P. COMMUN (ed.), *L'ordolibéralisme allemand. Aux Sources de l'économie sociale de marché*, CIRAC/CICC, Cergy-Pontoise, 2003, pp.175-199.
39. L. LINDLAR, *Das missverstandene Wirtschaftswunder. Westdeutschland und die westeuropäische Nachkriegsprosperität*, Mohr-Siebeck, Tübingen, 1997.
40. For an example see: *Erhards Soziale Marktwirtschaft*. Advertisement during the election campaign of 1953, in: *Rhein Neckar Zeitung*, 05.09.1953.
41. H.G. HOCKERTS, *Der deutsche Sozialstaat. Entfaltung und Gefährdung seit 1945*, Vandenhoeck & Ruprecht, Göttingen, 2011, p.11; L. LEISERING, *Der deutsche Nachkriegssozialstaat – Entfaltung und Krise eines zentristischen Sozialmodells*, in: H.-P. Schwarz (ed.), *Die Bundesrepublik Deutschland: eine Bilanz nach 60 Jahren*, Böhlau, Köln/Wien, 2008, p.428.

Monetary, Economic and Social Union between the two German states (Unification) from 18 May 1990 defined *Soziale Marktwirtschaft* as an economic order characterized by private property, free competition, free pricing and freedom for capital, labour, goods and services.<sup>42</sup> All in all, *Soziale Marktwirtschaft* like the French “planification” never entailed a concrete economic policy but remained flexible. Even though free market competition prevailed, there were from the beginning important economic sectors that were organized by state intervention, as for instance agriculture, transport policy and social security.

However, monetary stability was one element of the *Soziale Marktwirtschaft* that was particularly important and widely shared by the political and economic elite.<sup>43</sup> According to ordoliberalism, only a Central Bank that was institutionally independent from the federal and regional governments could guarantee the stability of prices. Public deficit financing through Central Bank credits was therefore precluded by the Bundesbankgesetz. The Deutsche Mark became one of the most stable currencies in the world and from the 1960s onwards the key currency of Western Europe. Even though in the early 1970s Western Germany was confronted with inflation rates of about seven per cent and the independence of the Bundesbank was violated in 1990 by the Kohl government in the context of German unification, Central Bank independence and monetary stability were considered to be the key elements of the German economic system. Like the *Soziale Marktwirtschaft*, the Deutsche Mark became one of the symbols of German economic recovery and a symbol of national identity.

Both elements were decisive for the emergence of the German *Wirtschaftsstil* in the 1950s. Ludwig Erhard was not only the symbol of economic success, he became one of the most important creators of the German *Wirtschaftsstil*. In 1958, on the occasion of the tenth anniversary of the monetary reform and the introduction of the Deutsche Mark, he said in a radio speech:

“Es gehörten schon gute Nerven, starke Herzen und ein unbeirrtes Wollen dazu, die deutsche Wirtschaft und die deutsche Währung durch alle Fährnisse, alle bequemen Verlockungen und feindliche Bedrohung glücklich hindurchzusteuern. [...] An Warnungen, an trüben Prophezeiungen und an Drohungen hat es durch alle diese Jahre wahrlich nicht gefehlt, und wenn auch die Besserwisser, die Kritiker und Pessimisten aller Sorten mit ihren falschen Prophezeiungen und dadurch bewirkten Verwirrung des deutschen Volkes durch das Leben immer wieder *ad absurdum* geführt wurden, so hat es doch lange gewährt, bis sich die Idee und das Prinzip der Sozialen Marktwirtschaft auf breiter Grundlage durchgesetzt und in der Bevölkerung Resonanz gefunden haben. [...] Ich möchte in dieser Stunde der Besinnung darauf verzichten, das Äußere und das Atmosphärische dieses Geschehens noch einmal auszubreiten. Obwohl ich es bewusst nacherlebe, wie vor zehn Jah-

42. Vertrag über die Schaffung einer Währungs-, Wirtschafts- und Sozialunion zwischen der Bundesrepublik Deutschland und der Deutschen Demokratischen Republik (Staatsvertrag) vom 18. Mai 1990, Kapitel 1, Artikel 1, Absatz 3.

43. DEUTSCHE BUNDESBANK (ed.), *Fünfzig Jahre Deutsche Mark*, Beck, Munich 1988; H. ROEPER, *Die D-Mark. Eine deutsche Wirtschaftsgeschichte*, Societäts-Verlag, Frankfurt, 1996; M. POHL, *Das Symbol für Freiheit und Stabilität. Die D-Mark 1948-2001*, in: M. POHL, H. JAMES, C.L. HOLTFRERICH, *Requiem auf eine Währung. Die Mark 1873-2001*, DTV, Stuttgart 2001, pp. 7-59.

ren das deutsche Volk in innerem Zwiespalt zugleich hoffte und bangte, als das Unfassbare, die Aufhebung der Bewirtschaftung, der Rationierung, das Bezugsscheinwesen, der Preis- und Lohnbildung sowie der sklavischen Unterjochung jeder menschlichen freien Regung, lebendige und beglückende Wirklichkeit werden sollte [sic!]".<sup>44</sup>

This speech by Erhard is a good example for how and why a *Wirtschaftsstil* develops. The most important element is again the reference to history. Even though only ten years have gone by since the monetary reform and the introduction of the Deutsche Mark, Erhard refers to this event as if it were at the origin of the extraordinary economic growth in Germany. In this as in many other speeches the introduction of the Deutsche Mark is referred to as a mystic act of creation. The Deutsche Mark and the system of the *Soziale Marktwirtschaft* are at the origin of the "Wirtschaftswunder", a glorifying expression for the economic success of the 1950s. Even though historical research has shown that monetary reform and the Deutsche Mark were only two reasons of minor importance for German economic growth, both remained in collective memory.

All in all, the German *Wirtschaftsstil* consisted of three elements:

Firstly, the expression "*Soziale Marktwirtschaft*", an economic concept that had turned into a symbol for German economic success in the 1950s and 1960s; secondly, the Deutsche Mark, a symbol for monetary and economic stability and thirdly the concept of the independence of the Central Bank as a precondition for monetary stability.

The German public debate on the Maastricht Treaty and the monetary union started in January 1994.<sup>45</sup> In its general structure it differed from the French debate: if the majority of the population was sceptical about giving up the Deutsche Mark, the political and economic elite (with the important exception of the Deutsche Bundesbank) was in favour of the monetary union. The opponents of monetary integration were economists, experts in public law and some journalists, in particular the economic department of the *Frankfurter Allgemeine Zeitung*.

One of the vocal opponents was the economist Joachim Starbatty, a professor at the University of Tübingen. Together with other liberal economists he severely rejected the European monetary union and the abandonment of the Deutsche Mark. In his eyes, the main arguments that spoke in favour of the monetary union were not economic reasons but political interests of France and other European countries. As Erhard before, he evoked the history of the introduction of the Deutsche Mark:

"Wie war die Situation vor der Währungsreform von 1948? Bündel labbriger Geldscheine, Lebensmittelkarten, leere Warenregale, schwarze Märkte. Wie war sie nach dem Stichtag?

44. L. ERHARD, *Zehn Jahre Währungs- und Wirtschaftsreform* (Rundfunkansprache am 19. Juni 1958), in: L. ERHARD, *Deutsche Wirtschaftspolitik. Der Weg der Sozialen Marktwirtschaft*, Econ, Düsseldorf, 1992. (first published in 1962), pp.388-389.

45. G. THIEMEYER, „Maastricht“ in der öffentlichen Debatte. Eine deutsche und eine französische oder eine deutsch-französische Diskussion?, in: D. HÜSER, J.-F. ECK (eds), *Medien-Debatten-Öffentlichkeiten in Deutschland und Frankreich im 19. und 20. Jahrhundert*, Franz Steiner Verlag, Stuttgart, 2011, pp.307-320.

Neues Geld, Preisreform, volle Warenregale, keine Lebensmittelkarten und keine schwarzen Märkte mehr. Die D-Mark wurde ein Erfolg: Vom Kellerkind zum Weltstar (Hans Roeper). Nun wird sie gegen den Euro eingetauscht, von dem ein Teil der politischen Klasse behauptet, er werde so stabil wie die DM".<sup>46</sup>

The Maastricht Treaty and the monetary union therefore represented a threat to Germany and its economic system: "Ziel der gemeinsamen Wahrung [ist] eigentlich die Abschaffung der D-Mark und der Deutschen Bundesbank; von ihr fuhlten sich die Mitgliedstaaten der EU bevormundet".<sup>47</sup> Seen from this perspective, the monetary union was an instrument to discriminate against Germany and its leading role in the European political and economic system.

Starbatty was not the only one to polemicize against the monetary union. Together with two other economists and a professor in public law, Karl Albrecht Schachtschneider, he brought the decision of the Bundestag in favour of the Maastricht Treaty before the German constitutional court, the Bundesverfassungsgericht.<sup>48</sup> The court, however, decided that the integration of Germany into the monetary union was in accordance with the German constitution.

Another example of a publicity-oriented argumentation in the Maastricht debate in the 1990s is an appeal published in February 1998 by a group of ordoliberal German economists on the initiative of Wim Kosters, Manfred Neumann, Renate Ohr and Roland Vaubel.<sup>49</sup> They argued that in spite of the Stability and Growth Pact there was no guarantee for the sustainability of monetary stability in the monetary union. They referred exclusively to economic arguments and were primarily preoccupied by the internal and external stability of the Euro. There was, however, an answer by another group of German economists "against euro-scepticism" initiated by Peter Bofinger. They saw good chances that Europe could develop a "culture of stability":

"Es gibt keinen Grund, den Landern in der EU den ernsthaften Willen zu hoher Preisstabilitat abzusprechen. In den 70er Jahren wurden in Europa sicher stabilitatspolitische Fehler gemacht, doch die Lernprozesse sind evident".<sup>50</sup>

Even though the first manifest argued against monetary union and the second was in favour of European monetary integration they both advocated monetary stability as the most important aim of economic policy. This again shows the dominance of ordoliberalism among German economic scholars in the 1990s. Both positions were

46. J. STARBATTY, *Schicksalhafte Entscheidung und politische Argumentation – Bundestag und Bundesrat zum Euro*, in: W. NOLLING, K.A. SCHACHTSCHNEIDER, J. STARBATTY (eds), *Wahrungunion und Weltwirtschaft*, Lucius & Lucius, Stuttgart, 1999, pp.201-223.

47. *Ibid.*, p.202.

48. W. HANKEL, W. NOLLING, K.A. SCHACHTSCHNEIDER, J. STARBATTY, *Die Euro-Klage. Warum die Wahrungunion scheitern mu*, Rororo, Reinbek 1998.

49. *Der Euro kommt zu fruh. Professoren der Wirtschaftswissenschaften nehmen Stellung zum geplanten Start der Europaischen Wahrungunion*. Still available under: [http://blog.d-perspektive.de/wp-content/uploads/2012/05/155-Prof-Der-Euro-kommt-zu-frueh\\_980209\\_KoBog.pdf](http://blog.d-perspektive.de/wp-content/uploads/2012/05/155-Prof-Der-Euro-kommt-zu-frueh_980209_KoBog.pdf) (09.08.2012).

50. *10 Punkte wider die Euro-Skepsis. Wort laut des 10-Punkte Appells „Pro Euro“ verfasst von 58 Wirtschaftsprofessoren*. [http://www.economics.uni-wuerzburg.de/fileadmin/12010100/sonstiges/Euro\\_Manifest.pdf](http://www.economics.uni-wuerzburg.de/fileadmin/12010100/sonstiges/Euro_Manifest.pdf) (09.08.2012).

shared within the German economic media. Whereas the economic department of the *Frankfurter Allgemeine Zeitung* supported euro-sceptics, the weekly journal *Die Zeit* advocated monetary union but also under the condition of a priority for monetary stability.

These examples show the significance of the German *Wirtschaftsstil* for the debate on the Maastricht Treaty and the monetary union in the 1990s. All three elements of a *Wirtschaftsstil* proved to be relevant in this context: firstly the reference to history, i.e. the monetary reform and the introduction of the Deutsche Mark in 1947 and the “Wirtschaftswunder” of the 1950s by Erhard in 1956 and again by Starbatty in 1996. Secondly, from an institutional point of view, the important position and independence of the Deutsche Bundesbank. Both, supporters and critics of the monetary union in Germany were convinced of the importance of the independent status of the Central Bank. Thirdly, in Germany, there is in the 1990s still a predominating ordoliberal tradition of economic thinking among the majority of economic scholars and in the public administration. It is also important to see that the critics of European (monetary) integration saw Maastricht as an attack on the German *Wirtschaftsstil* and therefore on German national identity.

### The significance of Economic styles *Wirtschaftsstil* in France and in Germany in the 1990s

Seen from the perspective of their respective economic style *Wirtschaftsstil*, France and Germany seem to be in opposition to one another: on the one hand the *Soziale Marktwirtschaft* emphasizing free market operation and monetary stability even though with a state guaranteed social protection, on the other a Republican state economy with democratic control of the Central Bank and the monetary policy. From this point of view, France and Germany seem to have fundamentally different economic systems and this was in both countries an important argument of the respective opponents against monetary union.

It is therefore astonishing to compare some central economic figures of both economies. To start with the most important indicator for monetary policy, inflation rates:

	1961-73	1974-85	1986-90	1991-95	1996	1997
France	4,8%	10,5%	2,9%	2,3%	1,9%	1,1%
Federal Germany	3,5%	4,3%	1,5%	3,5%	1,9%	1,9%

Even though monetary stability seemed to be the most important aim of economic policy in Germany, whereas in the French system its significance was of secondary importance, the long-term figures show no important difference between both countries. Since the middle of the 1980s, in particular, there seems to be a convergence of

monetary policy between France and Germany. One reason for that can undoubtedly be found in the foundation of the European Monetary System in 1979 that obliged both Central Banks to close cooperation in monetary policy. The same result can be found concerning public deficit (in per cent of GDP):<sup>51</sup>

	1961-73	1974-85	1986-90	1991-95	1996	1997
France	0,7%	-1,7%	-1,8%	-4,5%	-4,1%	-3,0%
Federal Germany	0,2%	-2,8%	-1,5%	-3,1%	-3,4%	-2,7%

Even though the French *Wirtschaftsstil* demands public investments and an important role of the state in the national economy whereas the German ordoliberalism stresses the importance of budgetary discipline, there can't be found, in a long-term perspective, any significant difference between both countries concerning their state finances. The reason for this convergence is twofold: firstly, in spite of contradicting *Wirtschaftsstilen*, both countries followed a pragmatic economic policy. Both, France and Germany, knew times where they rather turned to a Keynesian-oriented policy, as well as phases of austerity. Secondly, European integration in particular within the framework of the EMS, required close cooperation of governments and Central Banks concerning monetary and budgetary policy.

What, then, was the role of the *Wirtschaftsstil* in both countries? Why did leading politicians, economists and public intellectuals stress the role of economic philosophies and traditions of their country? The discussions on the Maastricht Treaty and the monetary union in France and Germany during the 1990s showed that the *Wirtschaftsstile* in both countries were of a certain relevance for economic policy. But they were even more significant in the debates on identity. During the 1990s Neo Republicanism in France claimed for a return to the Republican ideals of the country since the Great revolution. Globalization, monetary union, neo liberalism and "pensée unique" were considered as harmful for democracy and national solidarity. The French *Wirtschaftsstil* of the 1990s was defined to a large extent in a negative way: through the rejection of monetary and budgetary stability, austerity and free market economy. These economic values, however, were assigned to Germany and therefore the neo-republican discourse in France of the 1990s had an anti-German aspect. The French *Wirtschaftsstil* of the 1990s was therefore essentially negative, French identity was constructed against an imaginary threat, the ultra-rapid and fundamental socio-economic transformation of the country under the influence of what has been called globalization.<sup>52</sup> From this point of view, Germany was the main actor and the Maastricht Treaty its instrument to threaten France.

A similar situation can be found in Germany: the end of the Cold War, German unification and the economic and social challenges the country was facing during the 1990s inevitably led to a discussion on German national identity. The Maastricht

51. *Frankreich Jahrbuch 1998*, op.cit., p.256.

52. E. HOBBSAWM, *Nations and Nationalism since 1780*, Cambridge University Press, Cambridge, 1992, pp.164-165.

debate and the question of monetary integration seemed to be threatening the German *Wirtschaftsstil*, the system of *Soziale Marktwirtschaft*, monetary and budgetary stability and also the institutional system of the country. The debate on the Maastricht Treaty was therefore part of a general discussion on German identity. And as in France, also the German *Wirtschaftsstil* was constructed *ex negativo*: it was the rejection of the French model of “planification” that, from the perspective of ordoliberalism, was a synonym for high inflation rates and budgetary laxness.

Why did France and Germany define at that time these *Wirtschaftsstile* reciprocally in a mainly negative way? It was because the nations (not only France and Germany) were visibly loosing important parts of their old functions, namely that of constituting a territorially bounded “national economy” within a larger world economy.<sup>53</sup> Some of the contemporaries were aware of this context: the journalist Jacques Barraux explained the French debate on Maastricht in the journal *L'Express* on 22 January 1996:

“Il vient peut-être de l’attachement profond aux symboles qui ont fondé l’unité du pays depuis un demi-siècle. Il y a des mots qui font peur, des vérités que l’on n’ose pas étaler. Les Français ironisent sur les énarques et s’indignent des désordres du secteur public. Mais, s’ils critiquent les acteurs, ils souhaitent que la pièce reste à l’affiche. Ils demeurent fidèles à une certaine idée de l’État, du service public ou de la Sécurité sociale. Ils ont peur du vide qui succéderait à une remise en cause trop brutale du système”.<sup>54</sup>

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53. *Ibid.*, p.175.

54. J. BARRAUX, *L’État boîte noire*, in: *L’Express*, 22.01.1996, [http://lexpansion.lexpress.fr/economie/l-etat-boite-noire\\_4631.html](http://lexpansion.lexpress.fr/economie/l-etat-boite-noire_4631.html) (01.06.2012).

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