

A Non Conventional Look at the German “Export Machine”

by Patrick Schmidt

A few days ago, I received a telephone call from a Polish journalist, who wanted to know why it was that Germany, despite heavy economic losses in the 2008 recession, was currently experiencing a second Wirtschaftswunder. He noted that with an economy expanding by an amazing 3.6% last year, Germany was leaving the other advanced economies in the dust.

If you talk to experts, Germany’s star performance is due in large part to its “export machine”, shipping more goods per capita than any other country in the world. For over a century, it has built a reputation of making products second to none in precision, reliability and quality. And despite high wage costs and relatively expensive prices, it seems that the world can’t get enough of “Made in Germany” products.

Was it the famous *Mittelstandbetriebe*, the mid-size companies that made Germany such a powerful exporter, the journalist asked? That’s one way of viewing it. For example, many of Germany’s top exporters come from Baden-Württemberg, historically Germany’s poorest agricultural region. The 19th century was exceptionally severe, compelling many to tinker and invent to survive.

That environment generated people like Gottlieb Daimler, inventor of the first automobile, and Robert Bosch, creator

of the electric engine. They were diligent — never doing something half-way, as well as thinkers — always trying to improve on everything in existence. Their inventions led to the founding of many successful companies, both mid-size and large, and their spirit of tinkering remains important today.

Yet, to really understand why mid-size companies generally do better in Germany than elsewhere, one has to consider the German mindset, the cognitive ways Germans organize everyday actions and thoughts.

Much of what we now call “typically German” (diligence, perfection, need for order) can be attributed to a relatively dreadful past. As any psychologist will tell you, a traumatized child often becomes a perfectionist as an adult.

Germany has suffered more than its share of horror, beginning with the *Thirty Years War* (1618-1648). It had the misfortune of being *das Land der Mitte*, the country in the middle, in a religious conflict involving Sweden, Denmark, France, Spain and Austria. Over seven million Germans died in less than two generations, 35% of the population. The psycho-social toll the Germans suffered would have a profound impact for centuries to come.

And other tragedies were to follow: the Napoleonic Wars,

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the German “export machine”

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Goods “Made in Germany” are in demand all over the world.



the Austro-Prussian War and, finally, two World Wars in the space of...30 years.

In the last of these, the Holocaust, brought disgrace and shame upon the German people as a whole. Given Germany's tragic and violent past, it's not surprising that these wars have resulted in a survival strategy based on *Angst* about any form of uncertainty, a need for security. *Ordnung muß sein*. Order must reign.

Foreigners who arrive in Germany for the first time are surprised by the national need to do everything correctly; planning is essential and almost nothing is improvised. (It's no accident that the largest national SIETAR organization in the world is in Germany. When German companies export, they want to make sure that everything is done right, including intercultural communication.)

One need only consider that the country's highest-rated

television program for the past 40 years is, in fact, *der Tagesschau*, the evening news. Not surprisingly, the host speaks in a monotone and emotion is taboo. Whatever is happening in the world, things aren't out of control.

Even simple gestures, like paying at the supermarket, are revealing. German customers normally have their money out before the cashier announces the total. Individuals subordinate their actions to the collective need to do things efficiently.

Compare this with shopping in Strasbourg, where I live. French customers often don't take out their wallets until they've packed all their food into bags. The cashier and the other customers wait patiently, denoting French respect for the individual. But when this is repeated a million times a day, you understand why France is struggling to keep up with Germany on the economic front.

This sense of planning is instilled at an early age. An



Audi
Vorsprung durch Technik

The famous Audi's logo “Vorsprung durch Technik” and the Mercedes star well symbolize Germany's mastery (and need) of precision and order.



Mercedes-Benz

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the German “export machine” — continued

“Mitmachen” (doing something together) is a strong cultural undercurrent in Germany.



American colleague who lives in Munich once told me about the time her twelve-year-old son broke his arm and had to miss a few days of school. Upon returning, he was quizzed on the Latin verbs his classmates had studied while he was gone. He said he'd been in the hospital but the teacher told him it was no excuse and failed him.

The boy's German father said, “you've learned a good lesson.” His American mother, on the other hand, was up in arms and went to see the teacher. She was told not to worry, her son wouldn't fail the class, but it was made clear to her that this sort of learning experience laid the seeds for responsible behavior.

Need for order and abhorrence of uncertainty imply efficient collective behavior. “*Machen wir es richtig!*” Let's do it right! Once a decision is made or a project started, Germans subconsciously coordinate their own ideas and efforts toward group success. They know the sum is often far greater than the parts.

The German preposition *mit* (with) is used in countless expressions involving teamwork — *mitmachen*, *Mitarbeiter*, *Mitbestimmung* — and shows a spirit of togetherness which permeates all levels of society.

This cooperative spirit is also found in the often heard

phrase “*Wir müssen höchste Leistung bringen*”, which has no real equivalent in English. Literally, it means “we must bring about the highest output or performance”, but it is often translated as “we must work very intensively”. The *Autobahn*, where driving at top speeds is often the norm, is a metaphor of this German collective need for high performance and passionate intensity.

These were my immediate impressions when I first began working in Germany over 30 years ago. A few years later I listened to Richard Wagner's *Tannhäuser* at the Stuttgarter Opernhaus and couldn't help but associate collective strength with the overture. It is a haunting music which seems to capture the quintessence of the German soul, a passion to be earnest and dedicated to the common good.

As *Time* magazine once noted, Germans are brilliant organizers and planners who like complexity and are good at integrating things, including people, into a big system. When 82 million people share that mindset, it makes for a powerful competitive advantage in the world marketplace.

This article is partially adapted from the author's book “Understanding American and German Business Cultures”, published by Meridian World Press.

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