

# Germany Without Angst? That Worries Me.

OCT. 20, 2014, New York Times



**by Jochen Bittnerby**

HAMBURG, Germany — I'm starting to worry about the endless flow of good news from [Germany](#).

Yes, my country has made a remarkable journey from being labeled the “sick man of Europe” just 10 years ago. Since then, it managed to bring down unemployment by almost half. In the past five years our economy has grown by 8 percent — a fantastic rate for such a developed country. And only last month, the federal government announced that it aimed to implement a budget with [zero new debt](#) in 2015. All this has been achieved despite a worldwide financial crisis and the near-collapse of the euro.

So why am I anxious? Because what we Germans have done so far was to correct mistakes from the past. What we don't have, I fear, is a plan for the future. I'm talking not only about finances. In general, mentally, I find my country to be in a dangerous state of stagnation.

Yes, we Germans may have deserved to rest on our laurels for a little. It wasn't easy getting here. The welfare cuts made by Chancellor Gerhard Schröder in the mid-2000s were harsh, and because of wage restraint to rein in inflation, most employees today settle for smaller real incomes compared with 15 years ago. And we have saved enormously: The average German saves about 10 percent of his income; more than double the American rate. Most of my compatriots take pride in this, as an expression of our self-discipline.

Yet this self-discipline has also made us complacent. In his much-discussed new book, “The Germany Illusion,” the economist Marcel Fratzscher issues a stark wake-up call: “This country is on a downward track and is living today from its substance.” Our obsession with saving means we’re not spending where we need to. Back in the 1990s, he recalls, Germany invested 23 percent of its gross domestic product. Today, with only 17 percent, it has dropped below the rate of other comparable countries. Mr. Fratzscher singles out infrastructure and education as particularly scary examples of the German “investment gap.”

It’s not as if our autobahns and schools are falling apart just yet. At the same time, no one appears particularly eager to improve what we have. [Angela Merkel](#) is a prudent chancellor, but her prudence includes one big promise: Nothing will change. Yes, she ordered a major national project, to switch Germany’s energy supply from nuclear to renewables — but this decision wasn’t born out of a progressive vision, but the shock of the Fukushima catastrophe.

Whenever I travel between Hamburg and Berlin, Germany’s two biggest cities, a big sticker on the [high-speed train](#) now informs me that it is running on “100 percent green energy.” Yet as soon as the train pulls away from Hamburg, my cellphone connection gets shaky, or breaks down completely.

Much worse is that there still isn’t free Wi-Fi on board — a stinging anachronism in a region where most countries, like the Netherlands and Finland, offer it as a matter of course. It is small example, but it is symbolic. Where is the can-do spirit in the country that’s being hailed as Europe’s powerhouse?

And for all the effort it took to get to a zero-debt budget, that achievement hides another flaw. I am afraid Germany, after the era of neoliberalism, might be falling for another Zeitgeist: the sinfulness of making debt. Of course, there are good reasons to remain rigid. Excessive public spending was a root cause of the euro crisis, and Berlin, as Europe’s leading economy, feels obliged to give the best example of balancing budgets. In this endeavor, however, the difference between ineffective waste and profitable investment is too easily ignored.

It’s true that there are also deep cultural reasons for the German reluctance to avoid debts and deficits. The 1920s and ’30s are long behind us, but the fear that debt and inflation will lead to ruin is not. And this fear is not just on the collective, national scale.

Take housing. Less than 50 percent of Germans choose to buy property, the lowest rate among the 28 countries in the

European Union. When I ask my property-shunning friends why, most say they don't want to buy something so large on credit, even if the alternative means paying a monthly rent that gives no return at all. The stain of debt holds even at the linguistic level. The German language, as far as I know, is the only one in the world in which the words for debt and guilt are etymologically the same — the word for debt is “Schulden,” and for guilt it's “Schuld.”

And there appears to be another reason for our current drift: In historical terms, Germany has entered a comfort zone. We ended up here thanks to two simultaneous developments. The first is the experience of becoming Europe's indispensable nation, both politically and economically. The second is the growing biographical distance from a history that demanded remorse, reparation and proof of tenacity.

For the first time in their lives, the current generation of German leaders doesn't have to struggle for international approval; instead they struggle not to be bothered by too many wishes from abroad. European unification is more or less complete, we've offered billions in loan guarantees to the eurozone, and we have even won the World Cup. Time to lean back!

While we do so, economic growth in Germany is slowing to zero. Exports are sinking and unemployment is slightly rising. In this situation you'd wish for a chancellor to spur the Germans to set themselves new, promising aims. Angela Merkel isn't that leader. We are not wasting money here. Much worse. We are wasting time.

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