

Ph.D. THESIS SUMMARY

Márton Baranyi

Is Germany a hegemon?

**Practical manifestations of German hegemony in the
EU institutional framework**

Supervisor:

Dr Sándor Gyula Nagy
Associate professor

Budapest, 2021

Ph.D. THESIS SUMMARY

Márton Baranyi

Is Germany a hegemon?

**Practical manifestations of German hegemony in the
EU institutional framework**

Supervisor:

Dr Sándor Gyula Nagy

Associate professor

© Márton Baranyi

Contents

1. Subject of the thesis	4
2. Research methodology.....	6
3. Results of the thesis.....	9
4. Main literature used	14
5. List of own publications related to the broad subject	18

1. Subject of the thesis

The broad question that seeks to explore and assess the power of Germany and its role in Europe is a recurrent topic in international relations since the 19th century. This subject matter can be broadly identified as the “German question”. Although the emphasis varies according to the various historic periods and related context, the German question essentially demonstrates the mutual exclusivity of a single (united) Germany and stability/peace on the European continent, due to the single Germany’s excessive power and influence within Europe. The 21st century discourse of the German question primarily concerns the role of the reunited Germany in the European Union, focusing on the country’s political and economic leadership, together with its possible dominance (hegemony).

The recent peaceful decades and the united Germany’s smooth integration in the European integration seemed to disprove the validity of the German question. This is most commonly attributed to the fact that Germany is believed to exercise its current power in an embedded manner, within and through the framework of the European Union. The interest among scholars for the new German power (i.e. German power following reunification) developed already in the early 1990-ies in general (but also in connection to the construction of the Economic and Monetary Union, based on the German model, in particular). The academic interest gained new momentum shortly after 2008, due to the crisis of the Eurozone and the block’s subsequent crisis management. Indeed, the EU’s crisis resolution remarkably reflected Germany’s preferred economic philosophy (ordoliberalism), placing the German question and the discourse on German hegemony once again in the forefront of public debate. In this context, various approaches emerged, also related to the return of the German question, leading the researchers to characterise German hegemony in different ways (e.g. reluctant hegemony, cooperative hegemony, embedded hegemony, monetary hegemony, a hegemony operating in a geo-economic context, etc.).

In addition to the above, the relevance of the research topic is not only supported by the perpetuity of the German question, but also due to the fact that the research concerning the various aspects of German hegemony is far from complete. The vast majority of the relevant literature is devoted to Germany’s hegemony only in economic terms, focusing in particular on its ambivalent role in the crisis management of the Eurozone and in the building of the EU’s Economic and Monetary Union. Consequently, the thesis explicitly avoids contributing

to the main wave of academic research described above, and examines Germany's power through the main EU institutions and legislative processes instead.

The relevance and added value of the thesis is twofold. First, the objective of the thesis is to analyse and assess the complex topic of German hegemony in the EU through a realistic and practical assessment of the EU institutional framework. Secondly, it is important to point out that, to my knowledge, the German hegemony has not yet been measured in a comprehensive way through the EU institutional framework. Consequently, taking the above into account, the thesis offers some novel aspects with regards the research topic.

The fact that German hegemony cannot be regarded as a purely German internal affair could also be seen as an argument in favour of the thesis. The German question never concerned only the Germans, given that the issue is closely related to the stability of Europe and later to the evolution of European integration. Therefore, the issue of German hegemony is particularly important for the European neighbourhood as well, including Hungary, which is not only Germany's close neighbour but also economically dependent on the performance of the German economy. Such close relations and ties indicate why it is important for Germany's partners and allies to understand the essence and dynamics of unparalleled German power and how it functions in the European Union.

2. Research methodology

As already indicated, it is important to note that there is no single or comprehensive measure that could determine the existence or could assess the exact degree of hegemony. Due to the lack of such a comprehensive measure, it seems inevitable and necessary to introduce several different measures and formalise certain criteria in order to quantify hegemony. Consequently, as a result of a comprehensive research, it will be possible to assess hegemony as a phenomenon. The nucleus of the thesis, and perhaps its greatest added value, is that the thesis illustrates hegemony in a multi-faceted manner, taking practical aspects of the assumed German hegemony into account by developing and applying a new methodological mix.

The theoretical backbone of the thesis is the hegemonic stability theory. This landmark international relations theory explains the emergence and practical functioning of a hegemon. It provides the explanation why the fundamental instability of the international system can be remedied by the emergence of an entity (hegemon power), which is capable of controlling the behaviour of the actors in the international system, which can force compliance with the rules by various means (economic, military) and consequently stabilise the international system.

The main research question of the thesis reads as follows: can Germany be considered as a hegemon? The thesis puts forward five different hypotheses that require different methodological approaches in order to give an answer to the research question.

The **preliminary hypothesis** of the thesis examines an area that has already been thoroughly assessed several times. The hypothesis states that, according to the economic data, Germany is the EU's economic hegemon, taking the period of 2011-2020 into account. By providing a statistical analysis of the main economic data sets, this hypothesis demonstrates that Germany plays an unquestionably dominant role compared to other EU Member States in economic terms.

The **first hypothesis** states that Germany's hegemony in the EU is clearly reflected in terms of the representation (quantity) of German senior (management level) officials in the various EU institutions in the 2011-2020 period. On the one hand, the hypothesis examines the proportion of German officials in the European Commission, the largest institution of the EU. On the other, a complex institutional power-ranking model is developed that analyses the top

management of the EU institutions (over a period of ten years, looking at approximately one hundred different top management positions in the various institutions). Based on the aggregation of differentiated scores allocated to the management positions of the different EU institutions/bodies, the institutional power-ranking model creates a ranking based on nationality, demonstrating the weight of each Member State in the institutional framework. The model is capable of illustrating the weight of German senior officials and thus indirectly the weight of Germany in relation to the other Member States.

The **second hypothesis** states that Germany's leadership within the EU is also apparent due to the Member States' advocacy strategies and alliance formation preferences. This hypothesis approaches Germany's power from a specific angle, namely through national interest representation in the Council of the EU. Due to the rather closed system of the Council and the lack of information on cooperation between Member States, the hypothesis is demonstrated by using raw data sets of a series of research initiated by a Brussels based think tank (European Council on Foreign Relation). The EU Coalition Explorer is a research project carried out in three nearly consecutive years (2017, 2018, and 2020), featuring the views of several hundreds of relevant actors (Council diplomats, politicians, and EU experts) in order to create a comprehensive overview of the Member States' behaviour and advocacy preferences in the Council of the EU. By the use of aggregated data sets published by the think tank, it becomes possible to obtain an overview of Germany's power and position in the EU vis-à-vis other Member States, in terms of, among others, coalition building and policy cooperation.

The **third hypothesis** claims that Germany's hegemony and informal influence within the EU is apparent in the EU's decision-making procedure, especially with regards the legislative proposals of the European Commission. The hypothesis examines, based on two case studies, whether the European Commission's decision-making process already reflects the expression of certain national preferences, in particular the German national position. The purpose of the case studies, focusing on two recent Commission drafts legislation, is to demonstrate the extent of the German position reflected in the two specific Commission legislative drafts. In this respect, the two case studies follow a relatively simple methodology: they present and assess the German position on the given policy subject through publicly available sources, before the Commission's draft legislation is made public. Subsequently the comparison of the Commission's draft legislation with the initial German position makes it possible to

demonstrate whether tangible German influence and dominance can be observed in the EU decision-making phase.

Lastly, the **fourth hypothesis** indicates through the statistical analysis of EP parliamentary legislative amendments that the Members of the European Parliament (MEPs) elected from Germany were the most active and most connected MEPs in the 2014-2019 legislature. This last hypothesis requires the establishment of three different indicators and rankings to prove the hypothesis. The first MEP activity ranking measures the activity of MEPs by examining the number of legislative amendments tabled by them. The second MEP activity ranking measures the activity of MEPs based on their role as rapporteurs. The “connectivity of MEPs” is the third ranking that indicates the closeness and intensity of cooperation between MEPs, establishing the ranking based on the legislative amendments tabled together. In order to prove the hypothesis, i.e. to establish and assess the activity and closeness indicators, I rely heavily on the methodology included in the Eulytix annual report, as well as on the data set of the 2014-2019 legislative cycle, which has been extracted from the Eulytix database for the purpose of the thesis.

3. Results of the thesis

The thesis examines, through the hypotheses described above, the occurrence and various manifestations of the German hegemony in the institutional system of the European Union. By proving different hypotheses, it not only becomes possible to unveil and assess the different aspects of German hegemony, but also to answer the main research question (“Is Germany a hegemon?”) by aggregating the responses to the various hypotheses. Based on the above, the main results and conclusions of the thesis are the following:

1. Although the hegemon stability theory is a highly relevant and coherent theory of international relations, there is, to date, no universally applicable and accepted set of criteria for the existence/establishment of hegemony.

Although several attempts have already been made to establish a scientifically valid set of criteria related to the emergence of hegemony (see e.g. Keohane, Baun), such a universal set of criteria is still not available. In the absence of this, the thesis is based on the assumption that Germany can only be considered a hegemon, if the majority of the established hypotheses can be proven correct.

2. From an economic point of view, Germany is undoubtedly the most dominant Member State of the European Union.

In the context of the preliminary hypothesis, the thesis explores the economic power of Germany for the period of 2010 to 2019, using eleven different economic indicators. In addition to the classic economic indicators (e.g. size of GDP, GDP growth rate, evolution of government debt, labour productivity, etc.), other measures are also presented (e.g. the size of the macroeconomic response to alleviate the socio-economic effects of COVID-19, the evolution of credit ratings, the size of the contribution to the EU budget). The indicators demonstrate that, with some exceptions, the power of the German economy is unparalleled in the European Union.

3. German EU officials cannot be considered as over-represented among the officials of the European Commission.

The thesis and the related hypothesis demonstrate that, during the assessed period (2011-2020), German EU officials did not reach the German employment target ratio (so-called “guiding rate” set for all Member States based on the size of their population) in the European Commission’s staff. Germany has a guiding rate of around 14 percent in terms of its target employment rate in the EU institutions; nevertheless, the share of German officials in the European Commission was below 9 percent during the whole assessment period. Looking at the breakdown of German officials by grade ranking makes the picture more nuanced: according to the breakdown by grades, the share of the highest-ranking German EU officials in the European Commission was above 12 percent in the reviewed period, but even this category did not reach the German guiding rate.

4. The institutional power-ranking model established in the framework of the thesis measures an extremely strong and increasing German dominance in terms of the management positions in the EU institutional framework.

Germany is clearly dominating the EU institutional framework, at least those dimensions that have been assessed by the novel institutional power-ranking model. German officials are occupying leading management positions and their proportion was significantly higher in the assessed period than the proportion of managers from other Member States. Moreover, Germany’s institutional hegemony (overweight) was already present in 2011, but significantly strengthened over the decade. By 2020, there was an unprecedented gap in the EU’s institutional power: in terms of leading EU positions, Italy was the second most important Member State, but the country’s institutional power corresponded only to roughly one third of the German institutional power in the assessed decade.

5. Germany serves as the reference point for the overwhelming majority of EU Member States in terms of national interest representation in the Council of the EU.

By using the raw data of the EU Coalition Explorer, it can be clearly demonstrated that Germany is prominent among the other countries, it lies at the heart of the alliance formation strategy of the majority of EU Member States. Germany is the primary point of reference for

the majority of Member States on various policy issues, despite the fact that the data demonstrate that there are significant differences in EU policy related interests and preferences. Germany is recognised as a reliable and cooperative partner in most EU Member States and there is no doubt about Germany's perceived leadership in different policy areas (e.g. fiscal policy, migration policy).

6. Although Germany occupies a prominent position with regards other Member States' informal preferences and national interest representation, this nevertheless does not apply to certain Member States, which are closely related to Germany in various respects.

Although the Member States of Central Europe are undoubtedly subject to German economic hegemony, data stemming from the EU Coalition Explorer suggests that in case of some countries, economic hegemony does not always trigger an automatic adjustment of political preferences. The alliance preferences of the Visegrád-4 countries interestingly suggest that Germany does serve as a reference point regarding the alliance formation of these countries.

7. The two case studies on the possible German influence on the European Commission's legislative work did not conclude that Germany would have a significant influence on the institution proposing EU law.

Based on the examination of one case study (on the relocation of asylum-seekers), the Commission's draft legislation clearly mirrored Germany's initial national position, implying that a theoretically impartial and independent EU institution displayed and transferred national interests to the EU level. However, the other case study (on the EU's climate neutrality) comes to an opposite conclusion by demonstrating that the European Commission has proposed a significant piece of EU legislation not in line with the German position. The two case studies' diverging findings therefore do not make it possible to draw a substantiated conclusion on the possible bias of the Commission in its legislative work. Ideally, the background of all Commission draft legislation should be examined, together with the German national position, in order to assess the possible political bias of the European Commission.

8. The rankings established to examine the activity and connectivity of Members of the European Parliament do not reflect German legislative dominance in the European Parliament.

On the basis of the various established indicators and rankings (activity, connectivity), it can be concluded that the analysis of sponsorship of legislative amendments shows that German MEPs are neither the most active nor the most connected MEPs, nor can they be considered to be above-average in terms of taking on roles as rapporteurs. Consequently, Germany's power enshrining through the legislative work of German MEPs can be considered as limited (in the 2014-2019 legislative period).

9. Overall, it can be concluded that, without taking into account the preliminary hypothesis, the majority of hypotheses do not demonstrate German hegemony within the institutional system of the European Union.

German officials are over-represented in the management of EU institutions and Germany has undoubtedly an impact on individual states' alliance formation and advocacy preferences. Nevertheless, it cannot be demonstrated that Germany has the power to influence the preparatory phase of the EU legislative process, nor can it be claimed that German MEPs are the most influential MEPs with regards the legislative work of the European Parliament. Consequently, the hypotheses demonstrate that Germany's power is limited to a certain extent with regards the various examined dimensions. Nevertheless, the various hypotheses also illustrate that German dominance is an existing phenomenon within the European Union, but its extent is questionable. The slight modification of the hypotheses and the subsequently inevitable amendment the methodology could easily lead to different outcomes with regards the research of the extent of German hegemony.

10. Lastly, it is important to note that the methodological mix used for the thesis has a number of limitations, which is consequently true for the thesis itself as well.

The general research topic of German hegemony goes well beyond the dimensions examined by the thesis. As already discussed, scholars usually assess German hegemony mainly in relation to the country's role in the EU crisis management of the Eurozone, thus the main research area related to German hegemony is not analysed by the thesis. Although this is the

result of a deliberate decision, the discussion leaves an important dimension of the German hegemony outside the scope of the analysis. In addition, it should also be noted that such a thesis (hypotheses) does not allow for a fully comprehensive analysis of all practical manifestations of German hegemony.

Finally, it is important to stress that the current assessments cannot yet take account of the socio-economic effects and costs of the still ongoing COVID-19 pandemic. Nevertheless, it is clear that COVID-19 will inevitably also have a significant impact on the research topic itself, given that Germany, the strongest economy in the EU, might also encounter an economic downturn, which may affect the extent of its future power, the way it exercises power, and consequently might have an effect on German hegemony. The assessment of the impact of the pandemic on German hegemony may be the subject of further research.

4. Main literature used

Anderson, Perry (2017): *The H-Word – The Peripeteia of Hegemony*, Verso, London

Art, David (2015): The German Rescue of the Eurozone: How Germany Is Getting the Europe It Always Wanted, *Political Science Quarterly*, Vol. 130, no. 2, pp. 181-212

Baun, Michael (2005): Germany and Central Europe: Hegemony Re-examined, *German Politics*, Vol. 14, no. 3, pp. 371-389

Benczes István (2017): Regionális hegemon-e Németország? *Külgazdaság*, 61. évfolyam, 2017/7-8, pp- 3-27

Benczes István (2018): Kiegyensúlyozás, mélyülés, hegemonia – Az Európai Unió és a realizmus, *Küügyi Szemle*, 2018/01, pp. 81-105

Bendiek, Annegret (2015): „Review 2014“: *Grundpfeiler deutscher Außenpolitik und weltweite Erwartungen*, Working Paper Research Division EU/Europe Stiftung Wissenschaft und Politik German Institute for International and Security Affairs, 2015/05

Bonatti, Luigi; Fracasso, Andrea (2013): The German Model and the European Crisis, *Journal of Common Market Studies*, Vol. 51, no. 6, pp. 1023-1039

Bulmer, Simon; Paterson, William (2018): *Germany and the European Union: Europe's Reluctant Hegemon?* Red Globe Press, London

Bulmer, Simon (2014): Germany and the Eurozone Crisis: Between Hegemony and Domestic Politics, *West European Politics*, Vol. 37, no. 6. pp. 1244-1263

Bulmer, Simon; Paterson, William (2013): Germany as the EU's reluctant hegemon? Of economic strength and political constraints, *Journal of European Public Policy*, Vol. 20., no. 10, pp- 1387-1405

Crawford, Beverly (2015): German power and embedded hegemony in Europe, in: Colvin, Sarah: *The Routledge handbook of German politics and culture*, London, New York, pp. 329-348.

Crawford, Beverly (2007): *Power and German Foreign Policy – Embedded Hegemony in Europe*, Palgrave Macmillan, Basingstoke

De Jong, Eelke; Van Esch, Femke (2015): Culture matters: French-German Conflicts on European Central Bank Independence and Crisis Resolution, in: Jessop B., Young B., Scherrer C. (eds.): *Financial Cultures and Crisis Dynamics*, Routledge, London, New York

European Council on Foreign Relations (2020): *EU Coalition Explorer 2020*
<https://ecfr.eu/special/eucoalitionexplorer/> (2021. 02. 18.)

European Council on Foreign Relations (2018): *EU Coalition Explorer 2018*
https://www.ecfr.eu/page/ECFR269_EU_COALITION_EXPLORER_2018_V1.10.pdf (2019. 08. 20.)

European Council on Foreign Relations (2017): *EU Coalition Explorer 2016*
https://www.ecfr.eu/page/ECFR209_EU_COALITION_EXPLORER_2017_V2.0.pdf (2019. 08. 20.)

Faas, Thorsten (2002): Why Do Meps Defect? An Analysis of Party Group Cohesion in the 5th European Parliament, *European Integration online Papers (EIoP)*, Vol. 6 No. 20.

Graf Kielmansegg, Peter (2017): Deutschland und Europa: Aspekte einer schwieriger gewordenen Beziehung,
ZSE Zeitschrift für Staats- und Europawissenschaften, Vol. 15, Issue 2-3, pp. 485 - 500

Habermas, Jürgen (2020): 30 Jahre danach: Die zweite Chance, *Blätter für deutsche und internationale Politik*, September 2020
<https://www.blaetter.de/ausgabe/2020/september/30-jahre-danach-die-zweite-chance> (2020. 12. 14.)

Hettyey András (2019): *Hegemónia helyett – Magyar-német kapcsolatok 1990-2002 között*, L'Harmattan, Budapest

Hix, Simon; Noury, Abdul; Roland, Gerard (2005): Power to the Parties: Cohesion and Competition in the European Parliament 1979-2001, *British Journal of Political Science*, Vol. 35, No. 2, pp. 209-234

Hix, Simon; Noury, Abdul; Roland, Gerard (2009): Voting Patterns and Alliance Formation in the European Parliament, *Philosophical Transactions of the Royal Society B: Biological Sciences*, Vol. 364, No. 1518, pp. 821-831

Kagan, Robert (2019): The New German Question – What Happens When Europe Comes Apart? *Foreign Affairs*, Vol. 98, no. 3., May-June 2019

Kéglér Ádám (2008): *Tagállami érdekvényesítés az Európai Unióban*, PhD. értekezés, Budapesti Corvinus Egyetem, Nemzetközi Kapcsolatok Multidiszciplináris Doktori Iskola, Budapest

Keohane, Robert (1984): *After Hegemony – Cooperation and Discord in the World Political Economy*, Princeton University Press, Princeton

Kindleberger, Charles (1981): Dominance and leadership in the international economy: Exploitation, public goods and free rides, *International Studies Quarterly*, Vol. 25. No. 2, pp. 242-254

Kiss J. László (2012): Vezető szerep és európai egyensúly az euróválságban – Németország: „Kilépni vagy vezetni?”, *Magyar Külügyi Intézet tanulmányok*, 2012/23

Kiss J. László (2012): Németország mint mag-Európa magja: az új „németkérdés” és az euróválság; *Magyar Külügyi Intézet elemzések*, 2012/5

Kiss J. László (2011): Hegemónia az euróválság útján, avagy a német hatalom korlátai, *Magyar Külügyi intézet tanulmányok*, 2011/37

Kiss J. László (szerk.) (2000): Korlátozott szuverenitás és integráció. A német Európa-politika történelmi gyökerei és mai dilemmái, *A tizenötök Európái*, pp. 59-131, Osiris Kiadó, Budapest

Kovács Attila, Kocsis Levente (2021): *Eulytix Annual Report, European Parliament 2019-2020* <https://eulytix.eu/annual-report/> (2021. 02. 28.)

Kundnani, Hans (2014): *The Paradox of German Power*, Hurst & Company, London

Lentner, Howard (2005): Hegemony and Autonomy, *Political Studies*, Vol. 53., No. 4, pp. 735-752

Lever, Paul (2017): *Berlin Rules: Europe and the German Way*, I. B. Tauris, London

Markovits, Andrei S.; Reich, Simon; Westermann, Frank (1996): Germany: Hegemonic Power and Economic Gain? *Review of International Political Economy*, Vol. 3, No. 4, pp. 698-727

Münkler, Herfried (2015): *Macht in der Mitte – Die neuen Aufgaben Deutschlands in Europa*, Körber Stiftung, Hamburg

Palánkai Tibor, Kengyel Ákos, Kutasi Gábor, Benczes István, Nagy Sándor Gyula (2011): *A globális és regionális integráció gazdaságtana*, Akadémiai Kiadó, Budapest

Palánkai Tibor (2004): *Az európai integráció gazdaságtana*, Aula Kiadó, Budapest

Paterson, William (2015): The making of German European Policy, in: Colvin, Sarah: *The Routledge handbook of German politics and culture*, pp. 315-328.

- Paterson, William (2011): The Reluctant Hegemon? Germany Moves Centre Stage in the European Union, *Journal of Common Market Studies*, Vol. 49, pp. 57-75
- Pedersen, Thomas (2002): Cooperative Hegemony: Power, Ideas and Institutions in Regional Integration, *Review of International Studies*, Vol. 28, No. 4, pp. 677-696
- Proissl, Wolfgang (2010): Why Germany fell out of love with Europe, *Bruegel Essay and Lecture Series*, Brüssel
- Schild, Joachim (2013): Leadership in Hard Times – Germany, France, and the Management of the Eurozone Crisis, *German Politics and Society*, Vol. 31, Issue 1, pp. 24-47
- Schönberger, Christoph (2012): Hegemon wider Willen - Zur Stellung Deutschlands in der Europäischen Union, *Merkur*, Januar 2012, Vol. 66, Heft 752, pp 1-8
- Teló, Mario (2013): Für eine verantwortliche deutsche Hegemonie in Europa, *Frankfurter Hefte*, Vol. 9, pp. 4-8.
- Van Esch, Femke; de Jong, Eelke (2019): National culture trumps EU socialization: the European central bankers's views of the euro crisis, *Journal of European Public Policy*, Vol. 26, No. 2, pp. 169-187
- Young, Brigitte (2014): German Ordoliberalism as Agenda Setter for the Euro Crisis: Myth Triumphs Reality, *Journal of European Contemporary Studies*, Vol. 22, No. 3, pp. 276-287

5. List of own publications related to the broad subject

Journals

Baranyi Márton: Létezik-e német hegemonia az Európai Parlamentben? *Külügyi Szemle*, 2021 (provisional accept decision)

Baranyi Márton: German institutional hegemony in EU sustainability policies, *Köz-Gazdaság*, 2021. június, XVI. évfolyam: 2, pp. 180-187

Baranyi Márton: Magyarország aszimmetrikus kereskedelmi függősége az integrációs profil szemszögéből, *Köz-Gazdaság*, VII. évfolyam: 1, pp. 147-156

Book chapters

Baranyi Márton: Climate change: The Europe 2020 Strategy as a response, in: Gábor, Kutasi (szerk.) *Price of unsustainability: Economic impacts of climate change*; Budapest: Aula, (2012) pp. 207-221. , 15 p.

Baranyi, Márton: Az EU közös energiapolitikája - a megvalósulás feltételei In: *TézEU-sz 2011 – Tézisek az EU-elnökségi stratégiához*, Budapest, Magyarország: Külügyminisztérium, (2009) pp. 11-18. , 8 p.