

Charlemagne

Can Friedrich Merz get Europe out of its funk?

A new Merz-mentum could reboot the Franco-German motor at the heart of the EU



Illustration: Peter Schrank

Mar 5th 2025

*The man now all but certain to become Germany's next chancellor may not be anybody's first choice to share a krug of Oktoberfest lager with. Forget the back-slapping pol ready to banter about the Bundesliga; **Friedrich Merz is a former corporate lawyer who wrote a book urging voters to "Dare for More Capitalism"—in 2008.** German voters hardly flocked to the beanpole-shaped fellow, who first chased the leadership of the centre-right two decades ago, only to deliver for it the second-worst result in its history last month. But do not tell Europeans this. From Paris to Warsaw, Brussels and beyond, the impending arrival of a new man at the top of German politics is being met with giddy excitement. *A continent in crisis on just about every front is in dire need of a reboot—and wants to believe a new Merz-mentum will bring it about. Can the new-chancellor-on-the-block live up to the hype?**

The early signs are unexpectedly promising. The first step towards Mr Merz being effective on the European stage is for him to forge a coalition with the centre-left Social Democrats at home, a task expected to take several more weeks. But *the agreement announced on March 4th was startling in its ambition. In a stunning reversal of fiscal austerity long espoused by the right—not least by Mr Merz himself—the putative coalition agreed to spend several hundreds of billions of euros on both defence and infrastructure.* Once a conservative article of faith, *the "debt brake" that has acted as a straitjacket on German fiscal policy by limiting deficits is in effect to be binned when it comes to defence.* The long-overdue splurge to come should help shake off an enduring recession. *It also marks an end to the penny-pinching that left Germany unable to durably boost defence spending to levels needed to fend off a revanchist Russia unopposed by Donald Trump's America.*

In part thanks to that agreement, Mr Merz will be the star-in-absentia of an emergency European Union summit in Brussels on March 6th, called to discuss the situation in Ukraine. (Olaf Scholz, the outgoing chancellor, will represent Germany, while Mr Merz is to attend a sidelines confab of his centre-right political family ahead of the actual summit.) ***The hopeful prediction is that Mr Merz will help improve the parlous state of the Franco-German relationship at the heart of the EU.*** For years the bloc's two biggest countries have been at odds, due largely to a frosty rapport between their respective leaders. Mr Scholz, and to some extent Angela Merkel before him, all but refused to engage with ***Emmanuel Macron, the French president who endlessly fizzes with ideas of how the continent can be built into a Europe-puissance, generally at Germany's expense.*** Mr Merz, an Atlanticist visibly shocked by America's shabby treatment of Europe, looks readier to collaborate with his French counterpart.

The two men make an odd couple, separated by 22 years in age and more than that many centimetres in height. Yet they have much in common. *Both like to hint at vast intellectual hinterlands with public displays of admiration for impenetrable philosophers. Both worked in high finance before landing top political jobs. Both rightly worry that, should they mess up, hard-right populists may succeed them in office. Both think of politics in national and European terms.* Mr Macron stands just as proudly for the EU's anthem as he does for La Marseillaise; Mr Merz started his career as a member of the European Parliament in the age of Jacques Delors (Mr Scholz, in contrast, seemed to think of the EU as little more than a trading club). *Both seem keen to include Poland as a necessary third partner in the Franco-German alliance, and both think Europe is over-regulated.* They share a sense of gloom about the state of their home continent: *Mr Macron warned last year that "Europe might die"; Mr Merz fretted on election night that it was "five minutes to midnight".*

What might this mean for Europe? Those who expect a burst of Euro-federalism are likely to be disappointed. If anything, ***Mr Merz's arrival will mark the end of the vacuum that gave the EU's central institutions, notably the European Commission, an unusual amount of influence.*** *The incoming chancellor's vision of Europe is one where national leaders come together to make decisions, not outsource them to Brussels.* A re-think of how the EU works may follow. Mr Merz was a protégé of ***Wolfgang Schäuble***, a flinty finance minister who argued that Germany and France should forge ahead when others in Europe lacked the willingness to do so, resulting in ***"concentric circles" of EU integration.*** *Expect more "coalitions of the willing" spearheaded by France and Germany—perhaps including Britain, too, on defence matters.*

Merz-i beaucoup!

The improved vibes may, of course, dissipate after a brief honeymoon. Europe will still have to contend with German coalition politics, which have muddied its influence in Brussels. Mr Merz has never held executive office before; *Mr Macron will be gone by 2027, and no longer fully controls the government.* ***And for all the ideological alignment on Europe's place in the world, some fundamental disagreements remain. Germany is committed to free trade, which France merely tolerates. France would like some of Europe's defence needs to be paid for by an EU fund jointly borrowed by its 27 countries, a model used for the first (and only) time to fund the economic stimulus enacted in the wake of the covid-19 pandemic. That remains verboten in Germany.***

Nevertheless the mood in EU circles is cheerier than the challenges posed by American abandonment might suggest. ***Future Franco-German spats are inevitable.*** They might even help. When Mr Merz's vision does not align with Mr Macron's, as will undoubtedly happen, the two will clash. It is out of the sparks that compromises will be forged, and progress achieved. And that is exactly what Europe needs. ■