

Lunch with the FT **Life & Arts**

Wolfgang Schäuble: 'I'm pretty stubborn'

The German politician on fighting for 'Grexit', clashing with Merkel — and what he thinks about austerity now

Guy Chazan MARCH 22, 2019

“Look where we’re sitting!” says [Wolfgang Schäuble](#), gesturing at the Berlin panorama stretching out beneath us. It is his crisp retort to those who say that Europe is a failure, condemned to a slow demise by its own internal contradictions. “Walk through the Reichstag, the graffiti left by the Red Army soldiers, the images of a destroyed Berlin. Until 1990 the Berlin Wall ran just below where we are now!”

We are in Käfer, a restaurant on the rooftop of the Reichstag. The views are indeed stupendous: Berlin Cathedral and the TV Tower on Alexanderplatz loom through the mist. Both were once in communist East Berlin, cut off from where we are now by the wall. Now they’re landmarks of a single, undivided city. “Without European integration, without this incredible story, we wouldn’t have come close to this point,” he says. “That’s the crazy thing.”

[As Angela Merkel’s finance minister](#) from 2009 to 2017, Schäuble was at the heart of efforts to steer the eurozone through a period of unprecedented turbulence. But at home he is most associated with Germany’s postwar political journey, having not only negotiated the 1990 treaty unifying East and West Germany but also campaigned successfully for the capital to move from Bonn.

For a man who has done so much to put Berlin — and the Reichstag — back on the world-historical map, it is hard to imagine a more fitting lunch venue. With its open-plan kitchen and grey formica tables edged in chrome, Käfer has a cool, functional aesthetic that is typical of the city. On the wall hangs a sketch by artists Christo and Jeanne-Claude, who famously wrapped the Reichstag in silver fabric in 1995.

The restaurant has one other big advantage: it is easy to reach from Schäuble’s office. Now 76, he has been confined to a wheelchair since he was shot in an assassination attempt in 1990, and mobility is an issue. Aides say he tends to avoid restaurants if he can, especially at lunchtime.

Feedback

As we take our places, we talk about Schäuble's old dream — that German reunification would be a harbinger of European unity, a step on the road to a United States of Europe. That seems hopelessly out of reach in these days of Brexit, the [gilets jaunes](#) in France, Lega and the Five Star Movement in Italy.

Some blame Schäuble himself for that. He was, after all, the architect of austerity, a fiscal hawk whose policy prescriptions during the euro crisis caused untold hardship for millions of ordinary people, or so his critics say. He became a hate figure, especially in Greece. Posters in Athens in 2015 depicted him with a Hitler moustache below the words: “Wanted — for mass poverty and devastation”.



Wolfgang Schäuble, left, and Günther Krause, his East German counterpart, at the signing ceremony for the reunification of Germany in 1990. Schäuble rejects the criticism that austerity caused the rise of populism. “Higher spending doesn’t lead to greater contentment,” he says. The root cause lies in mass immigration, and the insecurities it has unleashed. “What European country doesn’t have this problem?” he asks. “Even Sweden. The poster child of openness and the willingness to help.”

But what of the accusation that he didn’t care enough about the suffering of the southern Europeans? Austerity divided the EU and spawned a real animus against Schäuble. I ask him how that makes him feel now. “Well I’m sad, because I played a part in all of that,” he says, wistfully. “And I think about how we could have done it differently.”

Käfer

Käfer

Platz der Republik 1, 11011 Berlin, Germany

Sparkling water €9.90

Veal meatballs €20.50

Arctic char and pumpkin €25.50

Espresso x2 €7.60

Total (inc tax) €63.50

I glance at the menu — simple German classics with a contemporary twist. I'm drawn to the starters, such as Oldenburg duck pâté and the Müritz smoked trout. But true to his somewhat abstemious reputation, Schäuble has no interest in these and zeroes in on the entrées. He chooses Käfer's signature veal meatballs, a Berlin classic. I go for the Arctic char and pumpkin.

Schäuble switches seamlessly back to the [eurozone crisis](#). The original mistake was in trying to create a common currency without a “common

economic, employment and social policy” for all eurozone member states. The fathers of the euro had decided that if they waited for political union to happen first they'd wait forever, he says.

Yet the prospects for greater political union are now worse than they have been in years. “The construction of the EU has proven to be questionable,” he says. “We should have taken the bigger steps towards integration earlier on, and now, because we can't convince the member states to take them, they are unachievable.”

Greece was a particularly thorny problem. It should never have been admitted to the euro club in the first place, Schäuble says. But when its [debt crisis](#) first blew up, it should have taken a 10-year “timeout” from the eurozone — an idea he first floated with Giorgos Papakonstantinou, his Greek counterpart between 2009 and 2011. “I told him you need to be able to devalue your currency, you're not competitive,” he says. The reforms required to repair the Greek economy were going to be “hard to achieve in a democracy”. “That's why you need to leave the euro for a certain period. But everyone said there was no chance of that.”

The idea didn't go away, though. Schäuble pushed for a temporary “Grexit” in 2015, during another round of the debt crisis. But Merkel and the other EU heads of government nixed the idea. He now reveals he thought about resigning over the issue. “On the morning the decision was made, [Merkel] said to me: ‘You'll carry on?’ . . . But that was one of the instances where we were very close [to my stepping down].”



Wolfgang Schäuble with Angela Merkel in 2014... © AFP



... and with CDU leader and then-chancellor Helmut Kohl at a party conference in 1991 © Getty

It is an extraordinary revelation, one that highlights just how rocky his relationship with Merkel has been over the years. Schäuble has been at her side from the start, an *éminence grise* who has helped to resolve many of the periodic crises of her 13 years as chancellor. But it was never plain sailing.

“There were a few really bad conflicts where she knew too that we were on the edge and I would have gone,” he says. “I always had to weigh up whether to go along with things, even though I knew it was the wrong thing to do, as was the case with Greece, or whether I should go.” But his sense of duty prevailed. “We didn’t always agree — but I was always loyal.”

That might have been the case when he was a serving minister, but since becoming speaker of parliament in late 2017 he has increasingly distanced himself from Merkel. Last year, when she announced she would not seek re-election as leader of the Christian Democratic Union, the party that has governed Germany for 50 of the past 70 years, [Schäuble openly backed a candidate](#) described by the Berlin press as the “anti-Merkel”. Friedrich Merz, a millionaire corporate lawyer who is the chairman of BlackRock Germany, had once led the CDU’s parliamentary group but lost out to Merkel in a power struggle in 2002, quitting politics a few years later. He has long been seen as one of the chancellor’s fiercest conservative critics — and is a good friend of Schäuble’s.

Ultimately, in a nail-biting election last December, Merkel’s favoured candidate, [Annegret Kramp-Karrenbauer](#), narrowly beat Merz. The woman universally known as “AKK” is in pole position to succeed Merkel as chancellor when her fourth and final term ends in 2021.

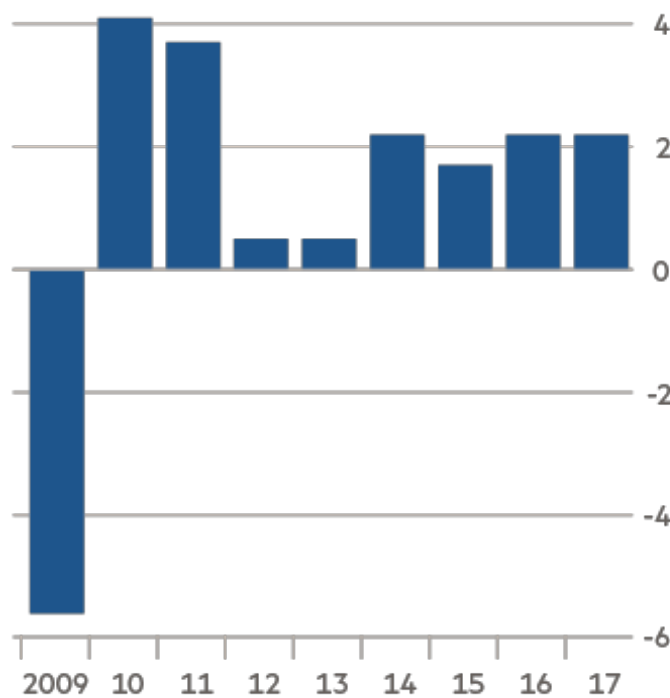
I ask Schäuble if it’s true that he had once again waged a battle against Merkel and once again lost. “I never went to war against Ms Merkel,” he says. “Everybody says that if I’m for Merz then I’m against Merkel. Why is that so? That’s nonsense.”

Our mains arrive. My char, which comes with slices of pumpkin, nut-butter and a pumpkin-ginger sauce, is delicious. Schäuble’s meatballs, served with potato salad, red onion purée and mustard foam, also look tasty, though he is too absorbed in his narrative to pay much attention. A gourmand he is not.

Schäuble was born in 1942 in Freiburg, southwestern Germany, and grew up a stone’s throw from the French city of Strasbourg. His first brush with politics came at the age of 11, when he helped his elder brother stick up CDU campaign posters. He joined the party at the age of 23, drawn by its commitment to Europe, Nato and the transatlantic relationship, and in 1972, a year after getting his doctorate in law, he was elected to the Bundestag.

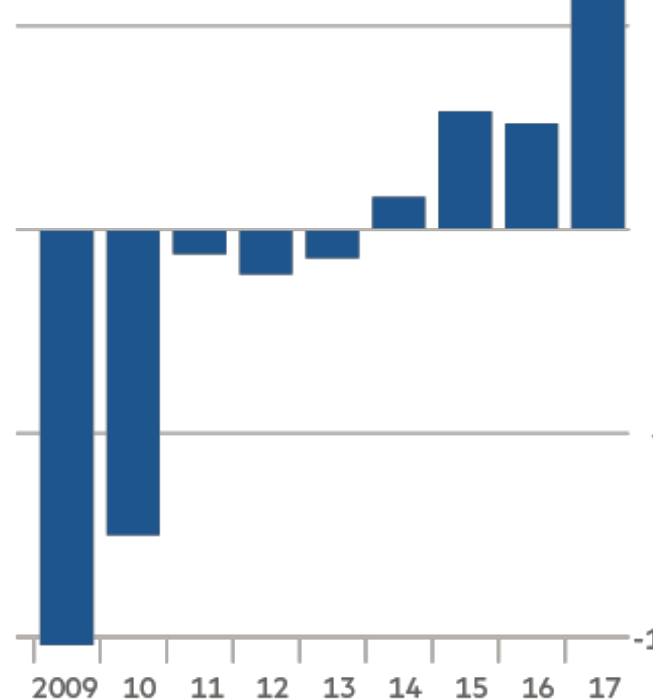
German growth under Schäuble ...

Annual % change in gross domestic product during his time as finance minister



... and how the budget was balance

Adjusted taxable income minus adjusted government spending (€bn)



Sources: Eurostat; Germany's Federal Agency for Civic Education

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A close associate of Helmut Kohl, the former chancellor, he became his chief of staff in 1984 and interior minister five years later. In 1990 came German reunification — “the high point of my political life”. He campaigned in East Germany before crowds of 30,000 or more, negotiated the treaty of union and organised the celebrations on October 3, unification day. Then, just a few days later, “there’s a bang and everything changes”.

At a campaign event in Oppenau, a small town near his home in south-western Germany, a man suffering from paranoid schizophrenia shot him twice, once in the jaw and once in the spinal cord. “It must have been quite tense for the first few hours, because I was really in danger of bleeding to death,” he says, pointing to the scar on his cheek. His eldest daughter Christine, then 19, witnessed the shooting “and for a long time was traumatised by the experience”.

He remembers his desperation after emerging from an induced coma: “I said I really don’t know if I want to wake up, if it means I’ll have to use a wheelchair now.” Christine, who had never left his bedside, told him to pull himself together. “She said: ‘Do you know what’s going on outside? Do you know how many people are praying for you? And that’s the way you start?’ And I thought: better not say anything else.” Her chiding worked: “That’s the way you come back to

life.”



Wolfgang Schäuble leaves a rehabilitation clinic in 1990 during his recovery from an assassination attempt © Getty

The attack taught him an important lesson. “Your experience shows you that from one second to the next, everything can change. Even on my way to the office, everything can turn out differently. That’s the way life is.”

I said I really don’t know if I want to wake up, if it means I’ll have to use a wheelchair now

Though nothing could compare to this, Schäuble would experience further blows. He had long been considered Kohl’s crown prince and a future chancellor. But in 2000 he became embroiled in the same CDU financing scandal that ensnared his former boss, and resigned as leader of the party. From then on he watched from the sidelines as Merkel rose to the top of the CDU.

In 2009, Merkel offered him the job of finance minister. He warned her things wouldn’t be as “comfortable” as they were with his predecessor, the Social Democrat Peer Steinbrück. “I’m pretty stubborn,” he recalls telling her. “You can rely on me to be loyal, I don’t have anything to prove in that regard. But I’m not submissive.” In his telling, Merkel replied: “That’s the reason I want you. We can’t have a submissive person as finance minister, he or she has to be a counterweight.”

As we finish our meal, Schäuble turns to Merkel’s controversial decision to keep Germany’s

borders open at the height of the refugee crisis. His criticism is nuanced. The initial decision on September 4 2015 to let in thousands of migrants holed up in Hungary was the right one. But it should have been an “exception”. Instead, the border remained open and over the ensuing months, hundreds of thousands entered. “We failed to prevent [the initial decision] being misunderstood throughout the world as a great business opportunity for human traffickers,” he says. “That was the real drama.”



A poster villifying Schäuble, who became a hate figure as the architect of European fiscal austerity, hangs in Athens in 2015 © Getty Images

He also blames the migration crisis for the rise of the far-right Alternative for Germany, now the largest opposition party in the Bundestag with a foothold in all 16 of Germany’s regional parliaments. “They have reached a certain threshold where it will be harder to drive them back than before,” he says.

I was hoping to tempt Schäuble with dessert: I have my eye on the Valrhona Opalys white chocolate with rosehip. But at the mention of afters, his face scrunches up as if he’s never heard of anything so frivolous. We order coffee.

The conversation turns serious again. I ask if it’s upsetting for him that, 74 years after the defeat of Nazism, there is a far-right presence in the German parliament again. “Of course,” he says. “I always thought it would never happen again in Germany, because of the tragedy of our 20th-century history. But it’s not enough any more. The developments we’ve seen in all the

western democracies are now so widespread that everyone's affected."

I ask if he sees any parallels to Weimar, and the unstoppable rise of the Nazi party. He dismisses the comparison. "I still believe we can take the AfD down a peg or two," he says, insisting he is speaking not as chairman of parliament but as a politician. The party, which was formed in 2013 in protest at the eurozone bailouts, almost disappeared in 2015 and only revived because of the migration crisis. It might ebb and wane again, he seems to suggest.

As we finish our coffees, I ask him one final question. Doesn't he ever think of retiring? "I know I'm 76," he says. "But I was elected in 2017 for another four-year parliament. There's no reason to question that."

His aides, waiting in another corner of the restaurant, are summoned to his side, and with that, Schäuble moves out to Käfer's roof terrace and the lifts that will take him back to his office. As I watch him leave, I reflect on one of his most telling lines. I had asked him why he had once compared himself with Sisyphus, condemned forever to push a stone up a hill, only to see it roll back down.

"You have to see Sisyphus as a happy man, because nothing we do in politics is forever," he said. "You move things along a bit, and they can keep going forward, or start going backwards again. That's how life is."

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