

The Role of German Economy in Europe

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Abstract: This paper details the role that Germany and the German economy have played in Europe over time. The timeline is divided into three parts, namely the period of World War II, the period before and after German reunification, and the German economy today, and each timeline is analyzed in the context of Germany, Europe's overall history, and the world situation at the time, with different examples and comparative analyses of individual country situations. The main reason why this article was able to get at what kind of role Germany plays in Europe is because of the gradual conclusions drawn through comparisons with the economic development of different but contemporaneous countries and Germany's own GDP growth. In every period of Europe's development, the German economy has had a greater influence and guidance on Europe as a whole and on some countries, and in most cases has played a dominant, leading role, despite the blows and impacts of World War II on the development of the economy.

Keywords: German economy, European economic studies, wartime economy

1. Introduction

Looking at the world, with the rapid development of the global economy today, mutual benefits and checks and balances between the economies of various countries have become very common and anxious. Germany in the whole of European history process has an important impact on the European economy, in the European economy and the future development plan are playing a leader and advocate of the role. In view of Germany's indispensable position in the European economy, this paper produces a detailed study and information search on the role played by Germany in the European economy. With regard to the subject matter and paragraphs, this paper focuses on the chronological order, and describes in detail and to the point the role of Germany in the European economy at the time of World War II, after the reunification of the two German states, and today.

2. German Role in Europe During World War II

Germany practiced a wartime economy and preventive war mechanism [1] during World War II, this was rearmament in "width" rather than "depth" [2]. First of all, Germany set up the General Economic Office in its territory to manage the materials and technology related to military, such as its necessary capital equipment, for example the machine tools and machinery inventory, also, according to all evidence, the machine tools and machinery stock were considerably in excess of actual needs, and remained so throughout the war. The reason it can be managed is because German's armament industry does not rely on conveyor-belt methods like America and Russia [3]. However, at the same

time, the main production center in Germany was put on the synthetic oil, chemical industry and electric power system, and it is also because of the German focus on the development of these aspects that Germany was not affected and constrained by the good and bad of the machinery and equipment during the World War II period [4]. The use of machinery and equipment in World War II was not affected or constrained by the quality of the equipment. In 1938, Germany's unemployment rate was almost zero and was not affected by the war situation.

Although Germany was well prepared for the Second World War, the economic impact and trauma of war is inevitable for every country also in many ways the crisis accelerated the reshaping of cities in society into modern industrial models. After World War II, Germany was faced with the task of maintaining and remodeling damaged buildings and areas, but as a post-war and poorer country, Germany was not able to hand over so much money in a short period of time, which led to a shortage of funds within Germany for a period of time and also highlighted the problems of Germany's economic structure. In addition, if Germany had produced more of what the world market needed at the end of World War II, it would have been able to significantly increase its economic efficiency and profitability at that time, because the global environment was in desperate need of good, so it gave a lot of very high profit prices. So, for all these reasons, German goods after WWII did not have enough advantages and competitiveness in the commodity market. However, with the subsequent development, because of Germany's worrying economic situation and market situation, and thus be cut off from all the international trade cooperation with other countries, the export products in this period of time reached a low value. Germany saw these problems and decided to rebuild the German economy after World War II.

As to how to improve the German economy after World War II, Germany divided it into two stages. The first phase lasted from the end of World War II until the German government decided to reform the currency. During this time, Germany was still in a state of confusion and panic due to the recent end of the war. One of the most striking features of this period was that workers were not adequately fed and nourished due to the problems of the German economy, which led to low productivity in most factories, and a significant drop in quality and quantity compared to the previous period.

The success of the second phase was based on the successful monetary policy reform of the previous phase. This reform firstly abolished the domination of the economy, and then reduced the tax and book value of loans by 10%, the rest of the currency did not produce any change in value, which greatly reduced the pressure of people's survival in such a starvation environment and at the same time increased people's motivation to work. As a result, the efficiency of workers increased and more people were willing to join the labor force, which led to a significant drop in the unemployment rate and a greater sense of well-being in people's lives. Also because of the production of more products, Germany once again back to the international trade market, foreign trade in goods is gradually back on track [5].

Due to the normal prosperity of the German economy at this time, Germany has a strong scientific and technological help to many European countries, at the same time, Germany also greatly limited and willing to promote friendly and close trade exchanges and import and export links with neighboring countries and Eastern European countries, Germany as one of the leaders of the European economy at that time greatly contributed to the whole of Europe, such as the neighboring countries, economic prosperity.

Therefore, although the German economy experienced serious economic fluctuations and impacts during the World War II because of the war, it was still on the right track in the end and played the role of an advocate and promoter in the European economy.

3. German Role after the Merger of the Two German States

In the decades after World War II, the German economy remained stable. In the period from 1989 to 1990, Based on the fall of the Berlin Wall on November 9, 1989, and the completely complementary economy of East and West Germany. on one side of the Berlin Wall is a relatively free economic system also at that time it's suffered from the strong recession and the regional dislocation of the early 1980s [6] and on the other side it's a collectivist society [7]. On top of that, the support of the United States and the United Kingdom for the reunification of the two countries in the international political arena, led to the re-establishment of the East and West Germany. The merger of the two countries into one Germany has not only had an impact on the German economy in general, but has also contributed to the establishment of the EU and the subsequent development of the EU economy. The merger of the two German states not only had a certain impact on the overall economy of Germany, but also facilitated the establishment of the European Union and the subsequent development of the EU economy to a certain extent.

First of all, the basic changes in the German domestic economy, after the reunification of Germany, complementary advantages of East Germany and West Germany to promote each other, East Germany's natural resources and West Germany's technological capital into one, so that after the reunification of East Germany and West Germany's economy in the previous independence of the more serious short board problem has been fully resolved, and gradually return to the original export as the main profit-making economic methods, but also in the second as a facilitator It also acted as a facilitator of trade exchanges and imports and exports between Europe and other countries. Despite the difficulties encountered by many companies during the transition to a socialist economy, Germany's GDP growth rate eventually showed a gradual upward trend.

Table 1: Changes in German GDP between 1987 and 1991 [1].

Time	1987	1988	1989	1990	1991
GDP (%)	1.47	3.74	3.91	5.72	5.01

Table 1 clearly shows the change of GDP of East Germany and West Germany before and after the merger, from the chart we can analyze that the merger of the two Germanys had a huge impact on the economic growth of Germany, and after the unification of the GDP is in a state of gradual incremental increase, even in 1989 to 1990 there was nearly 2% of the GDP growth

Secondly, the impact of German unification on the EU and Europe. According to the help of "center zone theory" and Germany's geographical location is really in the center of Europe. After the reunification of the two Germanys, not only did Germany's status and economic strength further improve, becoming an important force in Europe and even in the international political economy and having a certain and strong voice in the international arena, but also Germany eventually became the first largest economy in Europe and the fourth largest economy in the world. Also by opening the doors to imports from the countries in the Organization for European Economic Cooperation, by making foreign exchange available for German travel abroad, Germany has indirectly made a substantial contribution to the recovery of other European nations [8].

During this period, Germany not only contributed to the economic growth of the entire European and EU markets, but also became more centralized and influential in European affairs. Germany was one of the main drivers of European integration.

European integration has, to a certain extent, contributed to the development of the EU economy, as European countries began to unite gradually, establishing free trade areas and customs unions with common external tariffs, and then establishing a common market, removing barriers to the free movement of products, services, labor and capital and establishing economic unions to coordinate

economic policies and development among member states. These actions have greatly improved the economic situation of the European Union and promoted the economic development of the European Union, and Germany, as one of the main leaders in the promotion of European integration, has had a great impact on the economy of the European Union in many areas such as import and export, automobile, machinery and chemical industry, and has greatly improved the economic development of the European Union.

Subsequently, not only the economy of the European Union has been improved, but also the overall economic stability of the Eurozone has been improved under the impetus of Germany. On January 1, 1999, Germany officially joined the Eurozone. Since then, cross-border investment has become more convenient. As a result, trade within the EU has become freer than before. Germany, as a defender of fiscal discipline, has introduced a series of regulations and policies in the internal market of the EU. It promotes the integration of the European market, guarantees the legal rights of all people within Europe and creates opportunities for the economic development of EU member states.

In addition, Germany also suggested that the EU should provide a lot of economic assistance, technical support and political guidance to the Central and Eastern European countries to help them gradually meet the requirements for EU accession, which also laid a solid foundation for the enlargement of the EU and the subsequent economic prosperity of the EU.

4. The German Role in Europe Today

Germany's economy has gone through wars and mergers, but still it has always been Germany is as an export-oriented growth model of the country, its economic prosperity is largely dependent on the export of domestic products. As a result, they need to lower the prices of their exports because behavior of costs lies at the root of the difference in export performance [9] and only lower prices can be competitive in the export market. At the same time, however, Germany's unique economic system has resulted in lower average consumption levels for all people in the country and lower wages per employee in various industries. As a result, although the German economy relies on exports and industry to perform better overall, consumers and occupants within the country have not felt the economy's overwhelming prosperity. At the same time, since the German economy is mainly centered on foreign export trade, the long-term lack of attention to the development of domestic industries has led to a lack of creativity and innovation in most companies, which has led to stagnation in the manufacturing level and economic situation of some domestic sectors and industries, which is manifested by the lack of growth outside the centers of creative industries.

With the progress and development of science and technology, now Germany's comprehensive strength has been greatly enhanced, at the same time as a developed country Germany's economy ranks first in Europe and the world's fourth. Even though, from 2000 to 2003, the annual rate of growth was only 0.2 percent [10], but nowadays the German GDP is slowly increasing. The data is displayed in Table 2.

Table 2: Change in German GDP between 2000 and 2021 [2].

Time	2000	2005	2010	2015	2021
GDP (%)	2.90	0.73	4.18	1.49	2.63

Because of the rapid development of the German economy, it has a greater impact on the EU economy and intra-EU trade. At the heart of the EU's intra-European trade is European integration, and Germany's domestic exports of goods from its fast-growing and high-quality industrial, mechanical and manufacturing industries have had a strong position and impact on intra-European trade, while facilitating the interconnection of Europe's internal markets.

Germany has been a leader in helping European countries and the EU to develop their own economies over this period of history, contributing to the economic development and GDP of a large proportion of European countries.

5. Conclusions

This paper has examined the role of Germany in the European economy at different periods of time, using chronological order as the main guide. During World War II, even though Germany was the most powerful country in Europe at that time but still because of the war's irresistible factors on the economy produced serious damage, so the role of Germany during World War II is more like an ordinary participant in the internal adjustment of the country's economy after the war, and did not in essence to the European economy to produce a greater help and development, and compared to the period that took place before and after the period and cannot be used as a leader or facilitator. As time progressed, due to Germany's correct post-war economic adjustments and the successful merger of East and West Germany both directly contributed to the improvement and development of industry, electrification, and the economy within Germany, so during this time period, Germany was a leader in the European economy because of its strong industrial manufacturing and correct proposals that greatly increased the economic development within Europe and contributed to the economic progress and development of the entire European economy at that time. The German economy was a leader during this time period. To this day, Germany is still a dominant player in Europe in terms of import and export of goods, contributing significantly to the GDP of various regions and countries within Europe. Therefore, Germany has been a strong leader and contributor to the European economy for most of the time.

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