

What German econo

It looks like some tough measures are

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At first glance, finances and football may not have much in common. But in recent months, drawing parallels between Germany's quest to revive its economy and its national team's mission to win the World Cup has become increasingly popular in the media. *Warten auf ein Wunder*, meaning "waiting for a miracle" is the phrase commonly used to describe either pursuit.

But Germans' scepticism about the prospects of success for both endeavours and their anxious hope that things will take a turn for the better are not the only similarities between the country's economy and athletics. Historically, German economics and German football seem to have followed a similar path.

After the Second World War, the *Wunder von Bern* (miracle of Bern), when West Germany beat Hungary 3-2 and won its first World Cup in football, was a big step towards restoring the country's wounded national pride. "We are someone again," was a sentence echoed throughout the country that expressed people's pride and joy at their success in a friendly competition with other nations, after years of isolation.

During the same time, West Germany also achieved the *Wirtschaftswunder*, or economic miracle. Financial assistance of \$1.4 billion from the Marshall Plan and its citizens' hard work turned the country from a scene of destruction into a prosperous nation. By the end of the decade, West Germany had become the world's second-strongest economy.

For the next few decades, both the economy and football did well. In 1990, things were still fine. Germany won the football World Cup and unemployment, one of the country's biggest headaches today, was at less than 2.5 million.

But then the troubles started. While the German national team was still ranked number two in the world by FIFA in 1998, unemployment had already escalated to 4.28 million. By 2005, the national team had crashed to number 17 in the world ranking and German unemployment had climbed to 5 million.



Illustration by NIÑO JOSE HEREDIA/Gulf News

Things didn't look pretty and both football and the economy were in serious need of resuscitation. Enter Angela Merkel on the political stage and Juergen Klinsmann in the sports arena.

Although Merkel's party barely scraped to victory in last September's elections, Germany's first woman chancellor quickly gained ground.

Getting back in the 'first three'

She has declared her mission: to put Germany back among the "first three" of Europe's top nations within 10 years. In order to get there, she would have to modernise the country's education system and cut unemployment to 3 million, among other measures.

The Grand Coalition has approved a 25 billion euro spending programme for 2006 to boost the economy. But next year, the government plans to cut subsidi-

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dies and other spending and increase value added tax from 16 to 19 per cent. These measures so far have not diminished Merkel's popularity.

When Merkel marked her first 100 days in office in March, she had become Germany's most popular chancellor ever. Nationwide opinion polls showed that 80 per cent of Germans approve of her.

The national football coach has fared less well.

Once hailed as the saviour of German football, Klinsmann has been engulfed in a whirlwind of criticism recently. When the German team was butchered 1-4 in Italy on March 1, speculations of his imminent resignations were ripe.

Alas, Klinsmann seems determined not to go anywhere. And he says Germany can still win the World Cup. Or at least manage a respectable outcome. But for that to happen, he says, the team needs to

be better coordinated and players must improve their fitness levels.

It seems tough measures are needed to lead football and the economy to success.

Merkel's government plans to tackle a change in healthcare finance before the summer break. Addressing long-term unemployment and a corporate tax reform are planned for later.

"I want to encourage us to find out what we are capable of," Merkel said. "I am convinced we will be surprised."

Like the chancellor, Klinsmann sees the need for action.

"We must question all habits and rituals constantly," he said. "Reform must become a permanent condition."

The vice-president of the German Football Association (DFB), Theo Zwanziger, agrees: "A monopoly that isn't capable of innovating from within will be swept away at some point," he said.

Like the DFB, Germany's economy is in need of true reforms. It needs to break its rigid structure to catch up with other countries that have been more flexible and progressive. Germany needs to embrace not only changes to the existing structure but a reform of the framework itself. Otherwise, neither the German economy nor German football will achieve successes that equal those of the past.

A few weeks ago, frustration levels among football fans were high. The team had been beaten badly and preparations for the World Cup were haunted by leaking stadiums and ticket-allocation scandals. But along with spring, hope has arrived. Germany beat the United States 4-1 on March 22. Many are still sceptical, but it's a step in the right direction.

The overall national mood is also more positive. Forty-five per cent of Germans say they are now hopeful for 2006, according to Allensbach Institute pollster. Business and consumer sentiment are at the highest levels in years, even though unemployment still lingers at 5 million.

The country seems to have woken up from its deep depression and the mood is now cautiously optimistic. How much success Merkel's and Klinsmann's measures will bring remains to be seen. Until then, Germans will do what they do best: wait for a miracle.