

Merkel might need a few lessons in negotiation

Published: January 13, 2026, 10:05 am

You can't reach the age of 56 and be a chartered accountant without having learned one or two things about financial negotiations. Drop the word financial and I'd hope that statement could be generalised. So I think I can offer an observation or two on Angela Merkel's negotiating position on Greek debt. [The Guardian reports](#) that:

Angela Merkel has ruled out the prospect of Greece securing further debt cuts from its creditor nations

The Germans and Greeks have not yet met on this issue but it's pretty fair to say that what Angela Merkel is saying is there no negotiating to be done. It's game over before it has begun.

She's ignoring the fact that Greece's economy is being destroyed by austerity and with it the Greek capacity to repay.

And that Greece is now, according to Duncan Weldon of the BBC, collecting 44% of its GDP in tax, which is remarkably good.

Or the fact that Germany did, of course, have its own debt waivers after both World Wars and in the second case could not have recovered without it.

Instead she's just saying no.

As negotiating positions go that is crass. The golden rule of negotiating is that if you want to reach an agreement you have to always leave room for the other side to move. You may not provide much room, but the opportunity has to be created or they have no reason to be reasonable and you look stupid when they walk away.

And Merkel will look stupid. If the Greeks walk away she undermines the Euro.

She also destroys a vision of European democracy.

And she plays into the hands of anti-Europeans.

Whilst reinforcing views of German intolerance.

And at the same time will crystallise bigger losses in German banks and the ECB than would ever happen if negotiation were to take place.

So she's put herself in a dire position, by choice, and in many ways has handed all the cards to Greece.

You would have thought she would have learned something about negotiation by now, but apparently not. And that really does not bode well in a very great many ways.