

GERMANY: FROM AN ELECTORAL STALEMATE TO A “GRAND COALITION” OF THE CDU AND SDP



Marie Bernard-Meunier

Angela Merkel began the German election campaign with a seemingly insurmountable 20-point lead in the polls, only to cross the finish line running on empty, defeating outgoing Chancellor Gerhard Schroeder by the narrowest of margins, 35 to 34 percent in the popular vote, and by only four seats in the Bundestag. “Angela Merkel did not do well in the election campaign, she is not a charismatic leader,” writes Marie-Bernard Meunier from Berlin. As a result, Merkel’s Christian Democrats were forced into a “grand coalition” with the Social Democrats, since no combination with the smaller parties on the right would have led to a tenable majority. In the new centre-right centre-left coalition, the SDP obtained eight out of fourteen ministerial portfolios, including most of the economic portfolios, effectively isolating Merkel within her own government, and making it even more difficult for her to do the things that must be done for Germany to reclaim its dominant economic position in Europe. Nevertheless, as Canada’s former ambassador to Berlin writes, Merkel is the first woman chancellor and the first from the former East Germany.

En vue des récentes élections allemandes, Angela Merkel avait entrepris sa campagne avec une avance apparemment insurmontable de 20 points dans les sondages, mais c’est à bout de souffle qu’elle aura franchi la ligne d’arrivée. Avec 35 p. 100 du vote populaire contre 34 pour son rival, elle a défit d’infime justesse le chancelier Gerhard Schroeder et conquis seulement quatre sièges de plus au Bundestag. « Angela Merkel a fait une mauvaise campagne électorale », analyse depuis Berlin Marie-Bernard Meunier, qui juge la nouvelle chancelière « dénuée de charisme ». Si bien que les démocrates-chrétiens qu’elle dirige ont été contraints de former une coalition avec le Parti social-démocrate (PSD), lequel n’aurait pu former une majorité valide même en s’alliant aux petits partis de gauche. Dans cette coalition de centre écartelée entre droite et gauche, le PSD a cependant obtenu huit ministères sur quatorze, dont la plupart des portefeuilles économiques, ce qui isole de fait la chancelière dans son propre gouvernement et ne l’aidera en rien à imposer les mesures qui permettraient à l’Allemagne de retrouver sa domination économique en Europe. Elle n’en est pas moins la première femme à diriger ce pays, observe l’ancien ambassadeur du Canada à Berlin, et le premier chef provenant de l’ancienne Allemagne de l’Est.

Germany is not about to collapse, economically or politically. The economic crisis is real, the unemployment level unacceptably high and the growth rate minimal for too many years, but Germany is not about to go broke. There may even be encouraging signs of economic recovery. To many observers, all that was required was for the Germans to elect the “right” government on September 18. Well, they did not, and the following day one could read that Germany had now

entered a period of acute political crisis and that German democracy had not been under greater stress since the last years of the Weimar Republic.

The political problems of Germany, like its economic ones, tend to be overstated. With voter participation at 77 percent and extreme-right parties at less than 2 percent, German democracy is, for now, doing just fine. The election results were a surprise because the polls had predicted a different outcome altogether. The centre-right Christian Democratic Union (CDU)

of Angela Merkel should have been much further ahead, and a coalition with the Liberals should have provided her with a clear majority in the Bundestag. Those expectations proved to be wrong.

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In June, Angela Merkel had a very comfortable lead of 20 points in the polls. The Social Democratic Party (SDP) of Gerhard Schroeder had lost every state election, and when the chancellor decided to call for an early election at the federal level, the assumption was that his party was heading for yet another crushing defeat. On election night though, the gap between the two was down to less than a percentage point: 35.2 to 34.4. The winner, Angela Merkel, looked like the loser, and the loser, Gerhard Schroeder, looked like the winner. How could that be?

Angela Merkel did not do well in the election campaign. She is not a charismatic leader. She is not even the kind of politician who can easily show or attract empathy. Furthermore, she has been surrounded, within her own party, by men who do not always conceal very well their misgivings

about her or their ambition to replace her. She refused to be the standard-bearer of any particular group and, as a result, women and East Germans did not regard her as one of their own. Even though she stood to become the first woman chancellor and the first from the former East Germany, she failed to capitalize on her own assets. Her electoral program was also too

vague, and her inability to communicate the details of it made people assume that it could only be something even more unpalatable than Schroeder's reform agenda.

She became, in the minds of too many voters, a kind of German Margaret Thatcher, not a positive image in Germany and a problem in her own ranks. A neo-liberal discourse does not appeal to a majority of voters for the CDU and their Bavarian sister party, the Christian Social Union (CSU), and those attracted to it may be tempted to vote instead for the Liberal party, the Free Democratic Party (FDP). As it turns out, 1.1 million of them voted this time for the FDP, and close to a million, for other reasons, chose to stay home. As a result, the abstention rate among CDU and CSU voters was twice as high as the abstention rate among SPD voters.

By contrast, Gerhard Schroeder campaigned very successfully. Had he not lost close to a million voters to the new leftist party, he would have secured a third term for himself. Those who claimed that he had only won in 2002 because of Iraq and the floods in Dresden can reflect on this. He is a charismatic leader who knows how to

read an electorate and reach out to it. He knew how unpopular his reform agenda was, but he also knew that Angela Merkel's, to most Germans, sounded worse. He lost ground (minus 4.4 percent for the SPD), but his party came out on top in 12 of the 16 *Laender* or regional districts, including all those where the SPD had been defeated in recent state elections. In the so-called new *Laender* of the former East Germany, the SPD came ahead of the CDU in five out of the six districts, no small achievement given that the new leftist party in those *Laender* is at 20 percent. A personal victory for Schroeder and a moral victory for his party, but numbers are stubborn, and in the Bundestag the CDU/CSU has a majority of four seats over the SPD, a paper-thin majority but a majority nevertheless. The initiative, and the moral right, to form a government was theirs.

Coalition governments are nothing new in Germany. Over the years there have been many different combinations, but one of the two big parties was always in a position to build a majority through a coalition with one of the small ones. Only this time, for the first time, because of their relatively poor performance, at 35 and 34 percent respectively, neither the CDU nor the SPD could find a majority with just one partner. A "mariage à trois" is more difficult. For the CDU, as for the SPD, it was close to impossible to develop a program of government that could meet the demands of both the Liberals and the Greens. Little time was wasted on exploring those options. The idea of a Grand Coalition, that is, a CDU-SPD coalition, quickly became the only option. One could argue that the voters wanted exactly that.

By creating a solid block of "hard-core liberals" at one end of the political spectrum, with an FDP at a record-high 10 percent, and a solid block of "true leftists" at the other end of the spectrum, with the Linkspartei

at 8.5 percent, the voters produced a big space in the middle where a compromise ought to be possible.

A “grand coalition” has ruled once before in the history of post-war Germany, between 1966 and 1969. It was led by the rather lackluster Kurt Kiesinger, and it did not quite convince West Germans that it was the way they liked to be governed. The fear always exists that in a grand coalition major parties only succeed in paralyzing each other. Lack of decisive action at this particular juncture, when it is so badly needed, is a legitimate source of concern. The other fear is that a coalition government too close to the centre, and with too strong a majority, could encourage the development of far-right and far-left extremism. Those fears, well-founded as they may be, cannot stand today in the way of a grand coalition. There is simply no alternative.

Angela Merkel will lead this grand coalition, but the process leading to her designation as chancellor was particularly tortuous. The out-going chancellor, Schroeder, was not inclined to concede victory, given the very thin lead of the CDU/CSU over the SPD. He tried to argue that her poor electoral performance made it clear that she was not the chancellor that the Germans wanted. He further argued that the majority in the Bundestag was clearly left of the centre. His position, however, became untenable. The CDU/CSU remained solidly behind Merkel (not everyone’s expectation) and Schroeder had to withdraw. He did not do so, however, before extracting major concessions for his party, and Merkel is now accused of having paid too high a price to become chancellor. In the new government, eight of the fourteen cabinet portfolios will go to the SPD, including many of the key ones like Finance, Foreign Affairs, Social Affairs and Labour. The CSU will have two and the CDU four, but those four ministries represent together only 10 percent of the national budget.

The next step is to find an agreement between the CDU/CSU and the



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Angela Merkel, the new German chancellor, is the first woman to hold the post and the first leader of a unified Germany from the former East Germany. But as she refused to be the standard-bearer of any group, she was not seen as their champion. Leading by 20 points at the outset of the campaign, her Christian Democrats won by only 1 percent of the popular vote with a plurality of only four seats in the German Parliament, and were forced into a “grand coalition” with the outgoing Social Democrats, who obtained eight out of fourteen ministerial cabinet seats, including most of the economic portfolios.

SPD on a program of government. It need not be that huge a challenge. Both parties worked on defining converging strategies long before the election was called. They share a similar analysis of the problems and they may not be that far apart on solutions. In the Bundestag, they will come under attack from the right as well as from the left. The FDP, proud of its strong election results, will promote its own unconstrained vision of what is really required to solve Germany’s problems. The Linkspartei, which brings together the former communists and the disenfranchised social democrats, is equally proud of its electoral performance. As

they see it, they have succeeded in defeating both Merkel and Schroeder and by forcing the CDU and the SPD to govern together they have made their basic point, which is that there is no basic difference between the two.

The domestic agenda of the grand coalition is likely to be a somewhat amended version of “Agenda 2010,” the reform program devised and partially implemented by the outgoing red-green government. The CDU will try to give it a different spin, but few radical changes can be made. The room for grand new schemes is quite limited. The grand coalition will, however, have significant advantages over the outgoing govern-

ment in terms of means of implementing its reform agenda. It will have a huge majority in the Bundestag (448 seats out of 613) and it will also have, thanks to the CDU, a huge majority in the Upper House, the Bundesrat. Thanks to the SPD, it will, hopefully, have less opposition from trade unions than a CDU/FDP government would have had.

The international agenda of the new German government will need to be defined but, there again, the room for radical departures may prove to be quite limited. Angela Merkel, during the election campaign, made no mystery of her desire to move closer to London and Washington, to distance herself from Moscow and to oppose Turkey's entry into the European Union. She will not be in a position to pursue any of these objectives quite the way she would have wanted to. She will be constrained by her government coalition and will need to deal with a strong SPD foreign minister, who will be committed to the protection of Schroeder's legacy. Most important will be the position of the new government on Europe. Tony Blair was hoping for a strong ally to support his vision of where Europe ought to go, and he may still find one in Angela Merkel. Would this mean a weakening of the Franco-German axis? It's useful to recall that when Schroeder came to power he, just like Merkel, wanted to distance himself from Paris. He sought a closer partnership with Blair. The gap between Germany and the UK on European issues, however, proved too wide to bridge.

The new German chancellor will have, on all fronts, a very difficult hand to play. Coalition governments are by definition difficult ones to run. A grand coalition of this kind is a particular challenge. The SPD will weigh heavily on this CDU-led grand coalition, but Merkel's biggest problems may well come from her own ranks. Within the CDU, she has to deal with unfulfilled

expectations. She was supposed to win a decisive victory and she did not. She has little political capital to draw from. Those who blamed her for the party's poor electoral performance and accused her of conceding too much to the SPD in order to secure her own position, will not sit still if she does meet their expectations as chancellor.

The CSU leader, Edmund Stoiber, will also be a difficult coalition partner. He was difficult enough as an election partner. During the campaign, some of his remarks, notably regarding the East Germans, clearly embarrassed

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Merkel and had a negative impact. In his own Free State of Bavaria, he did not "deliver" the expected score for Merkel. She lost there a million votes, but Stoiber would remind her that she did far better in Bavaria than anywhere else. In her cabinet, she would have wanted him as finance minister. He preferred the Economics ministry, but refused to take on the responsibility for Labour and Employment that went with it. As a result, the SPD took it and will now control all the ministries directly linked to the reform agenda. Finally, it may well be that on some

issues, Stoiber will feel closer to the SPD than to the CDU. The "S" in the CSU stands for "social," and the economic development model in Bavaria, which is so successful, includes a high level of state interventionism.

Angela Merkel has never had an easy hand to play. She had to fight her way through many obstacles to become Germany's first woman chancellor. She will need for the future all the resilience she has shown in the past. The magnitude of the challenge ahead may well be the only thing that

held back her rivals within the CDU. She is called upon to lead Germany through a period of painful transformation. The solutions that have worked elsewhere and that she would have liked to bring to Germany have not been accepted by a majority of Germans. The clearest message of this last election is that the Germans remain attached to what they call their "social" market economy, a market economy where greater inequalities are not seen as a normal price for greater freedom. If the system they have is too costly or has become too ineffective, it needs to be fixed, not replaced.

Outside observers may soon start commenting again on the constant decline and imminent collapse of Germany. At this game, incidentally, no one is more adept than the Germans themselves. They can paint their own future in ever darker shades of black, and yet they may just show the world that they can pull themselves together, elect and support a transition government and actually live up to the combined challenge of modernization and reunification.

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