Germany: broad agreement for a grand coalition

Still no resolution of chancellorship

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Following a third round of exploratory discussions between the Union parties CDU/CSU (Christian Democratic Union/Christian Social Union) and the SPD (Social Democratic Party) in Berlin on Wednesday a grand coalition of the parties looks increasingly likely.

CDU Chairman Angela Merkel declared after the Wednesday talks that in terms of content the discussion had "been very successful." Both sides shared a common estimation of the situation and the political aims necessary to solve the country's problems. SPD Chairman Franz Müntefering declared that the basis for dialogue had been demonstrated and further exploratory talks were no longer necessary. The issue was now to find ways to bring about a grand coalition.

The leaderships of both sides then met in private session Thursday but refused to be drawn out on the issue of who would take over as chancellor. Both Merkel and Müntefering used similar formulations in separate press conferences on Thursday to dampen expectations over the question of the chancellorship. Any decision on the question, they maintained, would be made Sunday evening at the earliest.

It is significant that both the CDU and SPD signalled harmony on Thursday while at the same time insisting that further time was needed to continue negotiations on issues of program and the chancellorship. During the course of their bilateral discussions on Wednesday over a million workers took to the streets of France to oppose political policies virtually identical to those proposed by all of the main German bourgeois parties.

Earlier this week it appeared that discussions between the two sides could break down precisely over the issue of who should take over as chancellor. The Union parties had insisted that the SPD acknowledge Angela Merkel's right to take over the post as a prerequisite for the beginning of formal coalition negotiations. For its part the SPD maintained that it wanted to clarify the chancellor question in the course of negotiations and insisted on Gerhard Schröder's claim to lead the next government.

Discussions over the formation of a grand coalition had been held up because of the outright insistence by the CDU that Merkel occupy the chancellor post, although the electorate had clearly voted against Merkel and the program she represents in the federal election (Bundestag) of September 18.

Merkel stands for a right-wing, neo-liberal policy. She made this unmistakably clear with her advocacy during the election campaign of a lump-sum payment scheme for health insurance, her appointment of the flat-tax advocate Paul Kirchhof as her expert for financial policies, and her close relationship with the leader of the free-market FDP (Free Democratic Party), Guido Westerwelle.

The electorate issued a clear rebuff to her policies on September 18. Just 45 percent of voters cast their ballot in favour of the parties backing Merkel as chancellor—i.e., the Union parties and the FDP. They obtained one of the worst results in their history, well below the forecasts of public opinion analysts. The Union parties lost 7 percent of support from workers compared to the previous Bundestag election. Despite their indignation and opposition to the program of social cuts introduced by the SPD-Green Party coalition government (the Agenda 2010), many voters cast their ballot for the SPD, which almost drew level with the Union. The recently formed Left Party, which articulated opposition to the programs of Merkel and Schröder, won 9 percent at its first electoral showing. In addition there are many inside the CDU, and especially in the CSU, who reject Merkel's program of radical free-market reforms.

Nevertheless the Union parties insisted on Merkel's right to the chancellorship and it was encouraged in this stance by the behaviour of the SPD. The SPD refrained from acceding to the ultimatum made by the Union for Merkel to be chancellor, but did so in such a unprincipled manner as to cause considerable confusion and ultimately strengthen the Union.

Already prior to the election, and then even more emphatically afterwards, the SPD categorically rejected the possibility of cooperation with the Left Party—either in the form of a coalition or through the toleration of a SPD-Green Party minority government. It therefore conceded a significant means of putting pressure on the Union and preventing Merkel becoming chancellor.

Should the SPD have extended its hand the Left Party would have willingly taken up the offer. Just a few symbolic concessions on the Agenda 2010, which would have done nothing to alter its substance, would have been sufficient. The Left Party/Party of Democratic Socialism has already sufficiently demonstrated in those states in the east of Germany where it shares government responsibility that it is prepared to support and implement attacks on the working population.

But Schröder and the SPD are not ready for cooperation with the Left Party because this would have been interpreted by the former's big business supporters as a signal that it was backing down from its Agenda 2010 under pressure. After all, Schröder called early elections in the first place because the opposition to Agenda 2010 threatened to get out of hand and create divisions in his own party.

With his manoeuvre for early elections Schröder made clear that he would prefer to hand over government to Merkel and the Union rather than retreat from his agenda. Only in the course of the election

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campaign did the SPD switch tack to pose as a defender of the welfare state. It was responding to the increasing support, according to opinion polls, for the Left Party. At the same time the SPD made no concessions on its Agenda 2010.

After the election Schröder and the SPD claimed the right to the post of chancellor, but made no attempt to justify this on the basis of programme. Instead of clearly pointing out that Merkel's policies had been rejected by a large majority of voters, the SPD resorted to all sorts of tricks—e.g., claiming that although combined the CDU and CSU constitute the strongest parliamentary group, nevertheless the SPD was the strongest individual party in the Bundestag. They made it easy for the Union to spread the greatest possible confusion and depict Schröder alternatively as undemocratic and misogynistic.

One after the other prominent Union politicians intoned that the Social Democrats should finally accept "practiced democratic rules," which state that in a coalition the stronger party always fills the leadership post. In fact, there are just four seats separating the Union (226) and the SPD (222). Nevertheless, the Union has been able to win a certain response with this demand—repeated endlessly by the media—which seeks to demonstrate that Merkel taking over as chancellor represents democracy in practice. This despite the fact that she had just been rejected by voters with a clear majority!

The argument does not stand up, even historically. There is no rule which specifies that the largest parliamentary group should fill the post of chancellor. During the chancellorship of Willy Brandt and Helmut Schmidt (both SPD), who led previous governments with the support of the FDP, the Union parties comprised by far the largest parliamentary group in the Bundestag. And even in a coalition the largest parliamentary group does not necessarily fill the post of head of government. This is clear in the case of Italy, where it was usual practice for some time for the leader of a smaller coalition partner—e.g., Bettino Craxi of the Socialist Party—to head a government in which the Christian Democrats had the majority.

Finally, the SPD indicated it was softening its stance. Thus the former Hamburg mayor Klaus von Dohnanyi called upon his party to accept Merkel as chancellor. Even Schröder's third wife, Hiltrud, an active social democrat, called upon her ex-husband to back down in favour of Merkel. Schröder had already declared on Monday that he "did not want to stand in the way of a development for the continuation of the reform process introduced by myself and a stable government in Germany"—which was generally interpreted to be a backing down on his part.

The chairman of the party, Franz Müntefering, immediately countered this impression, however. After a leadership meeting on the same day he declared that the SPD was going into the exploratory discussions with the intention of "achieving as much as possible and Gerhard Schröder remaining chancellor."

Müntefering is worried that any rapid swing by the SPD towards Merkel, against whom there are substantial reservations in the SPD, could lead to voters and party members drifting to the Left Party. In the long term a grand coalition increases the potential for an extra-parliamentary opposition which neither the SPD nor the Left Party would be able to control. By holding firm to Schröder's claim on the chancellorship the SPD is seeking to up the ante for its eventual support for Merkel. "We do not want to take our best player off the field before the game has even begun," an SPD leader told *Der Spiegel*.

Nevertheless pressure is growing, in particular from business circles, that a government be formed as soon as possible on the basis of Merkel's political program.

The German Industry and Chamber of Commerce (DIHK) warned the Union parties and SPD of coming to a "wax-soft coalition agreement." The managing director of the DIHK, Martin Wansleben, demanded "a purposeful alliance with clear reform goals." "We need a clear program which gives priority to jobs," he told the *Frankfurter Rundschau.* "Priority for jobs" was the election slogan of both the FDP and the Union.

The economist Thomas Straubhaar, head of the Hamburg World Economy Archives (HWWA), expressed the fear that even a grand coalition under Merkel will not proceed radically enough. He told the *Rheinischen Post* that he was prepared to bet anything "that such a grand coalition as a political concentration of power would immediately agree on doing away with tax privileges, which amounts to nothing less than a program for tax increases." With regard to expenditure, the coalition would have problems in stipulating cuts in case it "frightened its respective groups of clientele."

Meanwhile, the Left Party remains silent. It sees no reason to mobilize against the danger of a grand coalition under Merkel or even warn of such a danger. Earlier, Left Party leader Oskar Lafontaine had publicly declared that his party would welcome a grand coalition.

As chancellor of a grand coalition Merkel would determine policy guidelines and to a large extent dictate its political course. Even under another chancellor, however, a grand coalition would pursue precisely the course which voters emphatically rejected on September 18. The bankruptcy of the SPD and the trade unions and the alienation of broad social layers from official politics have created conditions under which big business groups and the ruling elite have been able to impose their interests on the backs of the majority of voters. Similar developments can be seen in the US, France or in Italy, where right-wing governments pursue policies which lack any broad popular support.

There are, however, growing signs of emerging opposition to this trend. The clear rejection by the population in the September election of the German government's big business policies follows a decisive rebuff by French voters earlier this year of a free market-oriented European constitution. Now a million workers have taken to the streets in France. Behind the hesitations, wavering and tactical manoeuvring over a new German government in Berlin are growing concerns and divisions in the German ruling class over how to counter and overcome increasing popular opposition to their policies.

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