

Germany: Grand Coalition under Chancellor Merkel

A government in defiance of the voters' will

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The decision to make Christian Democratic Union (CDU) leader Angela Merkel the chancellor in a grand coalition government with the Social Democratic Party (SPD) represents a declaration of war on the German electorate. In the September 18 federal elections, an overwhelming majority of voters cast their ballots against Merkel and the CDU.

Germany's outgoing SPD-Green Party coalition was also a victim of the election, with voters making clear their opposition to the government's ceaseless attacks on Germany's welfare state. The two parties (SPD-CDU) that suffered most in the September election are now combining together to form a government coalition with the express aim of implementing those policies which were so roundly rejected by the majority of the electorate.

This is why the government's formation was conducted over the last weeks in an atmosphere of unprecedented secrecy. The decision to make Angela Merkel chancellor was taken by just four people—the chairmen of the parties involved—Angela Merkel (CDU), Edmund Stoiber (Christian Social Union, CSU) and Franz Müntefering (SPD) together with outgoing chancellor Gerhard Schröder (SPD). High-level conferences were sealed with vows to keep “absolute silence.” Like thieves dividing up the booty, politicians met in secret behind the backs of the people in order to dispose of power and influence and distribute ministerial posts.

To put it bluntly: the formation of this government takes the form of a conspiracy against the people; or more precisely, it represents the highpoint of a conspiracy that had already begun last May with the call for early elections.

It is important to recollect the entire course of events that have now reached their conclusion with the formation of a grand coalition under Merkel. There were two reasons for Chancellor Schröder's surprise call in May for early elections.

On the one hand, he was confronted with growing mass opposition to his program of welfare cuts—the Agenda 2010 and the Hartz IV legislation. The SPD's defeat in the North Rhine-Westphalia state elections in April was the eleventh election defeat in a row, and popular opposition to the government's policies was particularly fierce in this state, which had been a traditional social-democratic stronghold.

On the other hand, prominent industrial and business groups demanded an acceleration in the dismantling of the German welfare state. They were bitterly opposed to any “standstill in the reform policies” during the 18-month run-up to the federal elections and demanded a radical solution. In response to this pressure, Schröder sought to take the initiative with his call for early elections, which, under conditions where polls in the summer gave the CDU/CSU a 22 percent lead over the SPD, amounted to handing over power to the conservative opposition.

The situation changed, however, with the intervention in the campaign of the newly formed Left Party, which at one point was polling 12 percent

of the vote nationally and registered more support than any other party in the east of the country.

At the same time, the right-wing neo-liberal content of Merkel's policies became clear after she appointed the flat-tax advocate Paul Kirchhof to be her financial specialist. She likewise announced proposals for an increase in value-added tax and a further undermining of the German solidarity-based health system through the introduction of a lump-sum payment scheme.

Schröder responded by talking “left” during the election campaign. This led to the bizarre situation of the SPD chancellor demanding “more social justice” at election rallies, as if he were campaigning against the policies of his own government. In the same breath, however, he stressed at every opportunity that under no circumstances would he deviate from his Agenda 2010. Under these conditions, the CDU lost virtually all of its lead over the SPD and, with just 35 percent of the vote in September, suffered one of the worst election results in the party's history.

At the same time, the Left Party, which had campaigned against welfare cuts, was able to win 9 percent of the national vote (27 percent in the east German states) in its first ever election showing.

The fact that the Social Democrats and the Greens together with the Left Party have more seats in the new parliament than the conservative opposition is an indication of the widespread rejection of a neo-liberal political course. Instead of seeking a “left majority,” however, the SPD and Greens responded with a lurch to the right and offered to cooperate with the union parties.

Strikes and mass demonstrations in France and Belgium

Seldom in the postwar history of West Germany have class questions arisen in such a clear manner in an election and the subsequent formation of a government. It is important that these developments in Germany be seen in their European context.

On October 4, over 1 million workers in 150 French cities took part in strikes and demonstrations against the neo-liberal policies of the Gaullist government under Prime Minister Dominique de Villepin and President Jacques Chirac.

Three days later, a general strike in Belgium, directed against attacks by Prime Minister Guy Verhofstadt's conservative government on the pension system, paralyzed the country for three days. This was the first general strike in Belgium in 10 years.

The demonstrations against the Hartz IV labour reforms, which last year attracted hundreds of thousands of protesters, were part of a European

development that peaked with the votes earlier this year against the European Union constitution in France and the Netherlands.

The political elite reacted to this pressure from below by deciding to push through its goals even more determinedly. It is already clear that a grand coalition under Chancellor Merkel will be a government that follows the interests of the employers' associations and will further intensify the social cutbacks.

Since the political course outlined by Merkel in the elections met with determined resistance, the Social Democrats will now play a key role in ensuring the government's ability to carry through social attacks. According to the latest news, the SPD will occupy a series of key ministries and will have equal representation in the cabinet.

According to the document "Basis for coalition negotiations," in addition to the chancellorship and the chief of the chancellery, a cabinet post, the CDU will fill the following six ministries: Economics and Technology, Home Affairs, Defence, Family-Women-Youth and Education-Research-Food-Agriculture.

The SPD is expected to provide the foreign minister and the vice-chancellor and fill seven other cabinet seats: Finance, Justice, Labour and Social Affairs, Health, Transport, Development Aid and the Environment.

There has been much speculation over the last few days over whether outgoing chancellor Schröder would take over the Foreign Ministry in a Merkel government and so become vice-chancellor. Schröder has so far made no conclusive statement about this, but he has strongly hinted that this is not his intention. Instead, former defence secretary Peter Struck (SPD) has been advanced as a possible candidate. Struck, a close and trusted friend of Schröder, is known for the ruthless manner in which he implements government resolutions.

As defence secretary, he pushed through German participation in international military missions while changing the role of the country's military from that of a territorial defence force into a highly developed army of intervention. As future foreign minister, Struck will no doubt continue Schröder's alliance with Russia, while also touting the fact that he enjoys friendly relations with the US government and particularly with his opposite number in Washington, Donald Rumsfeld.

In other words, Struck is a compromise candidate, who embodies the unclear foreign policy orientation of the coming government. While prominent representatives of industry stand behind Schröder and his alliance with Russia's President Putin, and warn against the increasingly erratic actions of the American government, future chancellor Merkel and her deputy in the CDU leadership, Wolfgang Schäuble, stand for rapprochement with the US government.

According to press reports, Wolfgang Schäuble will be the interior minister in the new government. As a long-serving minister in Helmut Kohl's CDU-led government in the 1980s and 1990s, he was primarily involved in the dissolution of the former East Germany and German reunification, and stands on the extreme conservative wing of the Christian Democrats. He is one of the most experienced politicians in the CDU.

Alongside Schäuble, the leader of the Bavarian CSU, Edmund Stoiber, is another political heavyweight at the side of Angela Merkel. He is tapped to take over the Economics Ministry and be responsible for technological development. Stoiber, who came a close second to Schröder in the elections three years earlier, began his political career more than 40 years ago as office manager for the right-wing conservative Bavarian premier Franz-Joseph Strauss.

In an interview with the *Süddeutsche Zeitung*, he called a grand coalition a "tremendous opportunity." In contrast to employers' association warnings that a government alliance comprising the SPD and CDU/CSU could lead to political deadlock, with the two parties engaged in a mutual standoff, Stoiber stressed that the new government coalition offers great political possibilities.

"There are several very important topics," he told the newspaper, naming three areas on which the next government should concentrate: "Budgetary reform" to secure "long-term savings," i.e., further social cuts. Secondly: "Reform of the social security system," in other words: cuts in pensions and social security. And thirdly: "a grand coalition is the best platform for rapid federal reform." Above all, this includes large-scale restructuring of state finances including largely abolishing compensatory funding for the different state legislatures and encouraging more competition between the different states and regions. The associated increase in poverty and increasing regional inequality would be compensated for by stronger centralization.

At the same time, Angela Merkel announced she wants to draw in the trade unions by reviving the "alliance for jobs," a cooperation scheme between government representatives, trade union leaders and business groups that was introduced by the Schröder government. The aim is to exploit the coalition's cooperation with the SPD, to integrate the trade union leadership into government plans to implement drastic changes to working conditions. Job protections and existing tariff agreements are to be gradually undermined.

The initial declarations and measures surrounding the creation of the grand coalition make clear it will be a very conservative government operating in the interests of the business federations. The working class must prepare for violent attacks on its social and political rights.

In this respect the Left Party plays an especially pernicious role. There has been hardly any word from the party since the election three weeks ago. Its leaders, Oskar Lafontaine and Gregor Gysi, have repeated that the presence of the SPD in a grand coalition will act to ameliorate the worst attacks planned by the union parties. Klaus Ernst, the chairman of the WASG (Election Alternative), which allied with the Party of Democratic Socialism to form the Left Party, declared on German television Sunday that, on the basis of self-preservation alone, the SPD would pursue a socially moderate policy in its coalition with the union.

The opposite is the case. With such declarations, the Left Party is merely disorienting workers and the unemployed, while demonstrating its own inability to challenge the grand coalition. Seven years of the SPD-Green Party coalition have been sufficient to chart both parties' continuous shift to the right, embodied in the most aggressive attacks on democratic and social rights. In those eastern states where it shares power, the PDS has been at the forefront of similar attacks.

The election and the formation of the new governing coalition in Berlin have made clear that a new political orientation for the broad masses of working people can only take place independently of the SPD and Left Party. The Partei für Soziale Gleichheit (PSG) was the only party to intervene in the elections to provide such an alternative based on an international socialist program.



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