

Merkel elected as Germany's chancellor: grand coalition to implement social cuts

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On November 22 Christian Democrat leader Angela Merkel was elected chancellor in the plenary hall of Berlin's Reichstag. She received 397 votes of the 448 deputies belonging to the grand coalition of the Christian Democratic Union/Christian Social Union (CDU/CSU) and the Social Democratic Party (SPD). Fifty-one deputies from the "Union" and SPD factions refused to support her.

One of the first to congratulate Merkel was outgoing SPD chancellor Gerhard Schröder. Later, when the formal transfer of the chancellorship took place, Merkel thanked him for his cooperation and confidentiality over the past weeks during coalition negotiations.

In the days before Tuesday's vote, the SPD had organised an intensive campaign to guarantee that all social democratic deputies voted for Merkel. By his own account, the new SPD parliamentary leader, Peter Struck, previously the defence minister, had held a "heart-to-heart" with all those SPD deputies who were wavering. The evening before the election, Struck had personally invited Merkel to a meeting of the SPD parliamentary faction to argue her case.

Merkel knows that she does not enjoy unconditional support in her own party, or in the CSU. Former CDU party chief Friedrich Merz had fiercely criticised the coalition contract with the SPD, saying it completely lacked the stamp of the Union. Moreover, in private, many Christian Democrats had criticised Merkel's election campaign, which had led to the Union losing most of its initial lead of more than 20 percent over the SPD. She is accused of suppressing all internal party disputes over the election fiasco.

Against this background, Merkel was heavily dependent upon the votes of the SPD, which she duly received. Since the vote was held in secret, it is impossible to say from which part of the government camp the 51 "no" votes and abstentions came. It is entirely possible that more Union deputies than Social Democrats voted against Merkel.

Merkel held her first cabinet meeting immediately the vote was counted and after she and her ministers had received their letters of appointment from Federal President Horst Köhler.

On the basis of ministerial seats, the Social Democrats are in a majority around the cabinet table. As well as the vice-chancellor and finance minister Franz Müntefering, the SPD

has control of the foreign ministry, justice, transport, employment, health, the environment and development aid ministries. Eight social democratic ministers sit alongside six from the Union, who occupy the economics, defence and home affairs portfolios, as well as agriculture, family affairs and education. Only if the chancellor is included along with her chief-of-staff, who has cabinet rank, does the government contain an equal number of SPD and CDU/CSU representatives.

The German media is making great efforts to present the Merkel government in the best light. Some commentators speak of it enjoying widespread popular support without providing any factual evidence for such a claim. Others praise the harmony between the two "great people's parties" as the "start of a new beginning". The fact that for the first time in German history a woman is occupying the chancellery is cited as proof of a less aggressive and more humane style of government, as if the experience of Margaret Thatcher in London and other female prime ministers and presidents around the world had not disproved such an argument long ago.

In reality, the Merkel government is the most right-wing administration in Germany's post-war history. She will dramatically escalate the attacks made by the Schröder government. Her task consists of imposing the "reforms"—the welfare cuts and labour-market flexibility demanded by corporations nationally and internationally—against all opposition.

It only takes a glance at the 200-page coalition contract to see this. In the election campaign, when Merkel announced a two percent increase in value added tax (VAT), her poll ratings plummeted. Now the coalition contract is proposing a three percent VAT increase. In addition, the new government is proposing to raise the pension age from 65 to 67 years, cut commuter tax allowances, largely abolish employment protection regulations and implement many other measures aimed directly against workers and the unemployed.

With Merkel now occupying the chancellery, the circle is complete. In the spring, when the SPD-Green Party coalition faced increasing resistance to its "Agenda 2010" austerity program that resulted in the SPD's defeat at the polls in North Rhine Westphalia—its eleventh successive rout in a state

election—Schröder and the employers' associations feared a general political paralysis. He responded by bringing about new elections by forcing a vote of no confidence even though the move was in breach of Germany's constitution.

During the ceremony to appoint the new government in Berlin's Charlottenburg Castle, President Köhler admonished the incoming administration that in "pursuing its reforms" it should always deal "respectfully with the constitution". This sounded like mockery, since over the summer the president had himself eschewed all respect for the constitution when he agreed to dissolve parliament knowing that Chancellor Schröder enjoyed a narrow but stable majority.

Originally, Merkel had hoped to form a coalition between the Union and Guido Westerwelle's Liberal Democratic Party (FDP), but the voters clearly rejected their neo-liberal conceptions. The SPD rushed to Merkel's aid in order to ensure she became chancellor. Together they now plan to implement the social cuts that have so far encountered bitter resistance. Violent social and political confrontations are placed firmly on the agenda.

Before Merkel assumed office, outgoing chancellor Schröder was fêted with great pomp and ceremony. Both Köhler and Merkel attested to his "extraordinarily important work for Germany", i.e., the Agenda 2010 offensive against working people on which the new government can now build.

Immediately after her first cabinet meeting, Merkel said that the main aim of her government was the fight against mass unemployment. The latest statistics show what should be made of this statement. Since the election in September, there has been no end to the bad news from the company boardrooms. Siemens, Volkswagen, DaimlerChrysler and many other corporations have all foreshadowed substantial jobs cuts. Telekom alone has announced the destruction of 32,000 jobs. The chief reason cited by corporate executives is low-wage competition from Eastern Europe and Asia. The new economics and finance ministers have subsequently signalled their understanding and support.

Under these conditions, the "fight against mass unemployment" means a radical deregulation of the employer-employee relationship and the expansion of low wage working, which already encompasses some six million people. The Hartz IV labour "reforms" will be intensified. Even more than before, unemployment and the threat of dismissal will be used to force workers to agree to substantial wage cuts and accept worse conditions of work.

This is what is taking place internationally. In the United States, large corporations utilise the bankruptcy laws to force through drastic reductions in wages. The airlines began this process, often implementing pay structures around 25 percent lower than previous wage levels. Now the largest auto parts manufacturer, Delphi, is dictating wage cuts of 60 percent. At the same time, mass sackings continue undiminished. General Motors announced the closure of nine factories and the

destruction of at least 30,000 jobs just a few days ago.

In many respects, the Merkel government has a transitional character. It can rapidly assume an authoritarian course under conditions where growing social divisions are undermining the possibility of maintaining traditional democratic structures. The smashing of the welfare state requires increasingly dictatorial forms of political rule. The rash manner in which the French government proclaimed a state of emergency when confronted with clashes between youth and the police in the suburbs, and the expansion of its restrictions on fundamental democratic rights for a three-month period, must serve as a warning for workers in Germany and throughout Europe.

In any event, the German parliament can no longer play any sort of independent role under the new government. In the first place, the grand coalition has such a large majority that it no longer needs to convince anyone within the Bundestag. Decisions will be taken in the coalition committees or in discussions between the party chairmen. All parliament will be asked to do is rubber stamp the decisions made. Secondly, Chancellor Merkel can cite the precedent established by Schröder and supported by the Constitutional Court, dissolving parliament at any time.

However, a government that is the product of illegitimate elections and a political conspiracy is still riven by contradictions and conflicts. It is reliant on the services provided by the SPD. After the Social Democrats did everything they could to bring Merkel to power, they are now determined to keep her there. They will try to defend her against pressure from below hoping to provide her with the room for manoeuvre that the voters had denied her. If this fails the chancellor can—if she considers it necessary—provoke a political crisis to blow apart the grand coalition, only to cobble together another coalition with the FDP and the Greens, or bring about new elections.

The recently formed Left Party, under ex-SPD chairman Oskar Lafontaine and former Party of Democratic Socialism leader Gregor Gysi, plays a pernicious role in this situation. From the outset, it has repeatedly described the grand coalition as a "lesser evil". And although the SPD stands firmly behind Merkel, the Left Party is still spreading the illusion that the role of the SPD in the government is to prevent "the worst attacks on workers' rights".



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