

Crisis intensifies for German government

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Last week's presidential election was employed by layers in the German ruling elite to issue a warning to Chancellor Angela Merkel: Get on with the job of implementing austerity measures and protecting the privileges of the country's elite or we will pull the plug on you and your government.

In recent months the government, a coalition of the conservative Christian Democratic Union (CDU) and Christian Social Union (CSU) with the Free Democratic Party (FDP), has suffered one setback after another. Merkel (CDU) has faced criticism from finance and business interests and the media for her slow response to the Greek debt crisis, which led to a crisis for the euro and massively increased the amount that Germany must pay for the European banking rescue package.

At home Merkel has been under fire from business and political circles for proposing an €80 billion austerity package, which is packed with sham calculations that bring no real savings. A series of proposed savings measures have been criticised by the Bavarian-based CSU, intent on placating its own state-based clientele. The FDP has confronted a wave of criticism for the very open and blatant manner in which it has moved to financially reward its most important sponsors.

Widely regarded by the country's business elite as a "dream coalition" following federal elections nine months ago, the coalition is deeply divided on how to proceed and falling from favour with both the electorate and influential sections of the German political class. Merkel's problems were worsened by the loss of two senior figures in the CDU, the influential state premiers Roland Koch and Jürgen Rüttgers, who recently quit their posts. Both men belong to the right wing of the CDU and were regarded as potential rivals to Merkel for party leadership. Both had the support of a broad section of the party which feels no particular affiliation or fondness for Merkel.

Merkel was then confronted one month ago with the

controversial resignation of the German president, Horst Köhler, the candidate of choice of Merkel and the CDU. Despite the fact that Köhler remained reticent about the real reasons for his resignation, his departure was seen by political commentators as yet another expression of the disunity within the government.

The swift nomination of the minister president of the state of Lower Saxony, Christian Wulff, as the coalition's candidate for president was an attempt by the government to turn the situation around. In the event, the presidential election last Wednesday only served to underline the crisis of the coalition.

Despite the fact that the coalition parties had a sizeable majority in the Federal Assembly, which chooses the German president, and a determined effort by the coalition party leaderships to ensure discipline, 44 delegates from the government camp denied Wulff their vote in the first round of voting. In the end Wulff was voted into office but only after nine hours and three rounds of voting carried out in secret ballots.

Wulff was finally elected by an absolute majority although a simple majority was sufficient. The message from the 44 dissidents in the ranks of the government was clear: "We have nothing against the candidacy of Wulff and we could have elected him in the first round. But our priority was to express our hostility to the Merkel leadership. According to one CDU backbencher cited in the *Financial Times*, "It was a perfectly dreadful day. The fact that the rebels carried on voting against Mr Wulff, or abstaining, shows the depth of feeling. Maybe the election itself will be forgotten in four weeks. But the miserable state of the coalition will not."

The government's "new start" has turned into a debacle and there is already renewed discussion in the German press over the likelihood of a premature end to the coalition. *Süddeutsche Zeitung* wrote scathingly, "There has never been a coalition that has inflicted as much suffering on itself in such a short time as this one... The fact that Christian

Wulff was elected in the final round of voting is symptomatic of the coalition's weakness. Practically nothing works straight-off for this disastrous coalition... Those who consider such a situation to be normal can cordially smile after nine and a half hours in the Federal Assembly, as the chancellor did, and dub the result 'satisfactory.' In such moments, Angela Merkel seems as though she's holding firmly to the doorknob as a mudslide drags away the rest of the house."

The conservative *FAZ* newspaper described the presidential election as a "demo against Merkel", who now lacks sufficient political support to carry out her government program. According to the *FAZ*, every "policy question is now a question of power".

Speculation over the future of the Merkel government has been compounded by the publication of a survey commissioned by the public television station ARD, which revealed that 68 percent of Germans polled believe that the presidential election was a "disgrace" for Merkel, with 77 percent declaring that she no longer has control over her own governing coalition. Sixty-two percent of those polled believe that Merkel's government will not survive much longer.

At the weekend Merkel sought to put on a brave face and declared that she would not deviate from her political program. There would be no change to the government's proposed austerity measures. The budget is due to be approved in cabinet next week, but there is considerable controversy over its content. Leading figures in the CSU have called for changes to avoid the impression that the wealthy, the banks and big business will remain completely untouched.

The list of immediate issues to be dealt with by the government is growing. First up is reform of the health service, after Germany's health insurance companies last week announced massive deficits for this year and the threat of bankruptcy for some of the ailing companies. At a cabinet meeting last Thursday, the health experts from the Union parties and the FDP were unable to agree on a joint strategy to claw back the €11 billion deficit in 2011. The FDP health minister, Philipp Rössler, wants to introduce a flat-rate contribution, while the CSU is strictly opposed.

Other issues where the coalition partners differ include the extension of the life for nuclear power stations beyond the 2021 deadline currently set for their closure. Both the CSU and FDP oppose the time-line favoured by the CDU. Also

contentious is the proposal by the CSU defence minister, Karl-Theodor zu Guttenberg, for the scrapping of compulsory conscription to the Bundeswehr in favour of a professional full-time army. The FDP backs the proposal, but many in the CDU are opposed.

One consequence of the presidential election was to discipline and bring into line the Left Party (Die Linke) with the aim of possibly integrating it into a future government coalition. Following the failure of Wulff to win enough votes in the first and second rounds of voting, the leadership of the Social Democrats (SPD) and the Greens invited leading figures of the Left Party, including former leader Oskar Lafontaine, to a closed meeting in the parliamentary office of the SPD faction leader Frank-Walter Steinmeier. Under pressure from the Greens and the SPD to support their joint right-wing, anti-communist candidate, the Left Party leaders compromised and agreed to drop their candidate in the third round while abstaining in the vote.

After the vote the Left Party was vilified by leading members of the SPD and the Greens for failing to support their candidate. The Left Party's response was to declare that it was a positive sign that it had been invited for talks by the SPD and Greens in the first place. In the latest edition of *Der Spiegel*, SPD chairman Sigmar Gabriel called on the Left Party, formed from an alliance of a former section of the SPD and trade union apparatus with the ex-East German Stalinist Party of Democratic Socialism (PDS) "to face up to its future and stop prettifying the past," after which the party "will have enough in common with the SDP to permit alliances at a state and federal level."

A section of the German ruling elite wants to draw the SPD, with its close links to the trade unions, into government to better press ahead with austerity policies. Even so, despite the best efforts of the Left Party to drum up illusions in the SPD, a recent Infratest poll revealed that only 19 percent of those polled believed a coalition led by Social Democrats would do better than the current coalition. Seventy-three percent believed the situation would either be just as disastrous, or even worse with the SPD at the head of government.



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