Germany: A Government That Will Not Govern

by Rainer Apel

The new Grand Coalition government is expected to take office in late November, shortly after the designated Chancellor, Angela Merkel, is sworn in on Nov. 22. The week before that, the three parties that form the coalition—the Christian Democrats (CDU), the Christian Social Union (CSU), and the Social Democrats (SPD)—are expected to give the go-ahead for the government at special party conventions, barring unforeseen developments. The coalition, with a more than two-thirds majority in the national parliament, will, however, be stable only on paper, because frictions are being exacerbated in all three coalition parties, while they ignore the reality of the global economic depression.

On Oct. 31, a combination of primarily single-issue opposition currents in the party were roped into a vote against Kajo Wasserhövel, the candidate backed by SPD party chairman Franz Müntefering for the post of party general manager. At a special session of the SPD party executive, only 14 voted for Wasserhövel, whereas 23 voted for Andrea Nahles, a "left" ecologist. As a result, the pro-growth Müntefering, who had denounced economy-ruining speculators as locusts during the parliamentary election, announced he would not run for re-election as party chairman, at the party convention in mid-November, and added that he might not become labor minister and Vice Chancellor in the Grand Coalition government, either.

The reshuffle of party positions that resulted from this anti-Müntefering coup showed how much the party is in disarray, as well as not having a party program for industrial growth to begin to deal with the economic crisis the country is facing. Party members instead got tied up in succession debates, precisely at the time that the SPD should have intervened in the coalition talks with the CDU and CSU, to get an investment- and job-creation program off the ground, as one of the first major initiatives of the Grand Coalition. Germany's prior Grand Coalition government, in February 1967, had taken such a step. The SPD's internal problems are benefitting those in the party who, like the designated finance minister Peer Steinbrück, were insisting on making budget-cutting the priority of the new government.

On the same day as the coup against Müntefering, CSU party chairman Edmund Stoiber announced that he would not become economics minister in the new government, a decision which dealt another blow to the Grand Coalition project. Since then, Stoiber has been under attack from inner-party rivals to also step down from his posts as CSU party chairman, and even as State Governor of Bavaria, the party's base. A senior CSU politician told this author that a bigger problem than the Stoiber issue, was that the party leadership so far has avoided any serious effort to look into the reasons for the enormous number of votes that the CSU lost in Bavaria, its stronghold, in the Sept. 18 parliamentary election, in which it dropped from 58 to 49%. The CSU was punished by the voters even more for its budget-cutting orientation, than its sister party, the CDU, which lost 7% of the vote. If the CSU fails to revive its social security policy reputation, it would be voted out of the Bavarian government, despite several decades of uninterrupted rule, according to the CSU politician. He added that the instability virus of the CSU would soon also infect the CDU, which is faced with the same problems.

The Worsening Economic Crisis

The primary problem, which the established parties of Germany are ignoring, is the global depression. The Grand Coalition, which in six weeks of coalition talks has not found time to discuss the labor market situation, will begin its work in late November with a big list of new budget cuts that are supposed to compensate for decreasing tax revenues in the range of 35 billion euros, by the end of 2006. A spokesman for the labor union of the transport workers, Transnet, told this author that the obsession of the Grand Coalition with budget cuts was at the expense of labor interests, and added that the government should give up the idea of privatizing the state-controlled railway, and return to its chief responsibilities for preserving the common good, such as the functioning of a modern, efficient mass transport system.

Moreover, a public sector investment program should be launched on a national scale, and here, the proposal by the metal workers that the Maastricht budgeting rules of the European Union that ban state investment programs must be changed, is being supported also by the transport workers. The metal workers have called for annual state investment programs in public infrastructure, in the range of 40 billion euros. The service sector union has also called for a similar program.

But organized labor does not expect much out of the SPD, the traditional interlocutor with labor. "In the SPD, generally," an official at the economics department of the DGB, the national labor federation, told this author, "there is almost nobody to talk to. People there are accustomed to working at small construction sites, they are not prepared to deal with any bigger problems." Even without major new disruptions on the global financial markets, the economic situation of Germany will worsen this coming winter, and unemployment will increase. The German labor movement is hesitant to undertake a nationwide mobilization for a change of government policy, because it could play into the hands of the new, disruptive Linkspartei, a leftwing-synarchist split-off from the SPD that got into the new parliament with 8.4% of the vote.