

Germany in the hot seat

All eyes in Europe are on the next German general elections. The vote scheduled for the 22nd of September may represent a key event for the future of the European Union, like the construction (in 1961) and fall of the Berlin Wall in 1989.

by Ulrike Guérot

The next German national elections on 22nd September 2013 could trigger another 'all-eyes-on-Germany' event. These elections are likely to shape Europe's future, they will be pro or against Merkel, and will be viewed as a vote on austerity vs. growth. The world will be watching them with one question in mind: will Germany change its European policy? Will it become a little less ideological about the Bundesbank and inflation, a little more accommodating of the interests of its European partners? If Europe had a vote in these elections, Merkel would stand little chance of being re-elected. However, only Germans can vote in what could *de facto* be considered as the first European elections. And the point is that roughly 70% of Germans – never severely hit by the crisis – are in favour of Angela Merkel. It has been jokingly remarked that Germans would love to have a red-green policy run by Merkel. As weird as it may seem, for Germans Merkel is one thing, German policy is something else. So the outcome of the elections is extremely hard to predict – and many in Europe certainly overestimate the likelihood that Merkel might be voted out.

German citizens have been living in a mainstream media bubble which has nurtured a pretty superficial account of the Euro-crisis, namely that it's mainly a problem of an over-spending South – an argument that deliberately overlooks the interconnection between Euro-

pean economies and the German co-responsibility for the – disastrous – economic situation in Europe as a whole. If all countries, so the argument runs, behaved like Germany and carried out the same reforms, they'd all be as well off as Germany. A great part of Angela Merkel's popularity is built on this German success story, with 70% of Germans approving her crisis management and her highly pragmatic stance.

The figures seem to prove Germany right: Germany is the only country in the EU with its public finances in the black; where consumer behaviour and export figures show a positive trend and where the crisis seems to have had the least impact. Germans in actual fact see themselves more as victims of the current crisis management in the sense that they are now having to fork out for the other countries, which didn't do their 'reform homework'. So the public protests in Germany against continued bail-out packages for Greece or Cyprus, or the necessity to enter a so-called 'transfer' union are hardly surprising.

Against this backdrop, the 'Alternative für Deutschland' anti-Euro party was launched back in April. Yet populism hasn't curried much favour in Germany so far: the main political parties all support the euro and back pro-European programmes. Recent polls have shown that roughly 2/3 of Germans wants to stay with the Euro. And even though a survey in March this year has it that 26% of Germans might consider voting for the Eurosceptic party in September, at best it will obtain 2% of the votes. Hence, even if this new protest party does not clear the 5% hurdle in the forthcoming elections, it may change the electoral outcome by stealing some 2-3% from the current conservative-liberal majority.

In the Berlin chat-rooms, the most likely outcome is a grand coalition, meaning the conservative CDU governing with the Social-Democrats (SPD), as was the case between 2002 and 2005. Although the SPD's candidate for chan-

cellor has announced he will not govern with Merkel, and the fact that the SPD got little change out of the last 'grand coalition', it could happen – but outside of Germany they seem to be overplaying this hand. For example, many French Socialists claim that if only the SPD were in the German government, its policy on Europe might change. True to a point: a grand coalition would surely put more emphasis on social Europe; and the SPD's election program does not completely rule out debt mutualisation. Plus, a grand coalition might be able to secure the 2/3 majority required for constitutional change essential to introduce a banking union or more. So a grand coalition might not be the worst option for Germany. However, to expect it to lead to a radical shift of German economic policy away from its export focus, its emphasis on price stability or its insisting on both structural reforms and sound public finances, is a recipe for disappointment.

A more interesting exercise is considering the chances of other outcomes. Everybody on the Green and on the CDU side still vigorously rules out a conservative-green coalition – though many have been tacitly or openly dreaming of combing the powerful conservative (industrial) establishment with Germany's progressive forces. The tax increases recently proposed by the Green party have certainly sent shivers down CDU voters' spines. Furthermore, the arithmetic of German elections is a complicated one due to the two vote system – one for the candidate, the other for the party.

Plus, the electoral outcome largely depends on the performance of the smaller parties and whether they manage to overcome the 5% hur-



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dle: the Liberals (FDP); the internet-party Pirates, very 'hipster' still some months ago when earning more than 10% in the local elections of Berlin, but virtually dismantled since then; the 'Left' – they could end up with a king-maker role. At this stage, nothing can definitely be ruled out: not a black-green coalition (though highly unlikely); nor an 'Ampel' coalition, meaning the SPD governing together with the Greens and the Liberals, often good for real surprises and possibly prepared to sell their soul to stay in government.

The safest bet seems to be that the big tanker Germany will continue to cruise through the European storm after the elections, accommodating a little, but not much. Yes, many Germans have noticed the social uprisings in the South; many have understood that their government's policy has come under European pressure. Nobody in Germany can ignore the posting of Hitler effigies in Greece or elsewhere and its getting a little uncomfortable. Nevertheless, politics in Germany is a long tranquil river, not about revolutions at all. **E**

E The elections in Germany in September will capture the attention of the whole of Europe. Today, 70% of the German population approves Angela Merkel's crisis management and her pragmatic stance.