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Germany

Change, no change in German elections

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If she had run again, she would probably have won. Angela Merkel's approval ratings are well below what they were a decade ago when she was widely credited with protecting Germany from the economic and social turmoil produced by the Great Recession and the Euro-crisis. At the time, some people in the Social Democratic Party of Germany (SPD) publicly debated whether running a candidate against Merkel was even worth it. Since then, her approval ratings dropped, not least due to a right-wing backlash after she welcomed Syrian refugees during the 2015/6 refugee crisis. Yet she still won the 2017 election. During the campaign, she quipped "you know me." That might have been enough to win the 2021 election also.

During the 2021 campaign, Germany was pervaded by a widespread sense that things are changing, politics need to adapt, but that it won't be pleasant. Amongst the three candidates running for chancellorship, Olaf Scholz was the one best suited to cater to this mood. With 25.7 percent of the total vote, his Social Democrats emerged as the strongest party in the election.

Having served as finance minister under Merkel since 2018, Scholz represents continuity. As a Social Democrat, he also represented change as his party had quietly dropped its former Third Way orientation and moved towards something resembling a Green New Deal Lite. The Greens ran on a similar platform. However, most of the media portrayed their candidate, Annalena Baerbock, as unfit for office as she hadn't held government positions before. Following a minor scandal about a padded CV and plagiarism charges, she also faced a media backlash, marked by more or less open hostility to the prospect of another woman chancellor.

Problems of a different kind weighed on Armin Laschet's candidacy. He was Merkel's chosen successor, but, lacking her stature, was unable to bring her increasingly vocal critics in line. Often, he came across as a lone candidate disconnected from his party, the Christian Democratic Union (CDU). Throughout the campaign, Markus Söder, leader of the CSU, the Bavarian wing of the CDU, and one-time contender for the CDU candidate for chancellor, made disparaging remarks about Laschet, who went on to lead the CDU/CSU to a historic low: 24.1 percent of the total vote.

Hoping to win enough votes to form a government with the liberal Free Democratic Party (FDP), which didn't run its own candidate for chancellor, but also open to including the Greens in a coalition government, the conservative CDU embroiled itself in struggles over new leadership and strategy just days after its defeat at the ballot box. Instead of the CDU, which sees itself as Germany's "naturally governing party," it is the SPD that is negotiating a coalition government with the Greens and the FDP.

However, whereas the SPD and the Greens demand publicly-funded investment programs to rebuild infrastructure and move beyond a fossil-fuel based economy, the FDP is mostly interested in lower taxes and balanced budgets. Even when spending cuts and privatization were part of the equation, governments hardly ever managed to lower taxes and balance their budgets at the same time. Aiming to achieve both, in addition to increasing public investments, is an economic impossibility and a recipe for political gridlock. Social Democrats, Greens and Liberals want to form a government but are unable to come up with a program that would at least point in the direction of fixing the most pressing social and ecological issues. They are heading towards a lame-duck government that will reinforce the strange brew of widespread recognition of urgently needed change and a fear of change that was reflected in the outgoing Merkel government.

Merkel: Unlikely leader, superstar, elder stateswoman

During her 16-year tenure, Merkel went from unlikely leader to unpretentious superstar—lovingly called "Angie" and sometimes hailed as "Mutti"—to elder stateswoman, presiding over her political heritage without being able, or even trying, to open pathways to the future. As a Protestant woman from East Germany, holding a PhD in physics, she didn't fit into CDU circles made up of chamber of commerce types, judges, university executives and media tycoons; all West German men, mostly Catholics. Without the mentorship of former chancellor and CDU leader Helmut Kohl, Merkel would probably not have achieved leadership positions. Without committing patricide—she called Kohl a key player in an illegal party financing scheme—she couldn't have gone her own way without interference from the party's inner circles.

This early estrangement between old party establishment and new leader (besides being chancellor since 2005, Merkel was CDU general secretary from 1998 until 2000 and then chairwoman until 2018) was reinforced by some of her decisions as head of government. Abolishing military conscription in 2010 met the demands of leading military and foreign policy circles to have a professional army ready to be deployed and fire on short notice, but many seasoned Conservatives had a hard time digesting it. Agreeing to a minimum wage in 2014 earned her a reputation for selling out to the Social Democrats; opening the borders, if only temporarily, to Syrian refugees a year later was even worse.

However, it was precisely this kind of estrangement between her and her party that allowed Merkel to gain respect from all political quarters, apart from the hard right that gained significant ground after the opening of the borders to refugees. Critics inside and to the right of her own party, as much as liberal and left supporters, widely misunderstood this decision as a genuine humanitarian act. Few noticed the galling difference with which refugees from Africa and crossing the Mediterranean Sea and Syrians using the so-called Balkan route were treated. Unlike their African counterparts, Syrian refugees could be portrayed as victims of the Putin-supported Assad-regime in the early stages of the New Cold War. Moreover, Greece, already wrecked by the Euro-crisis and austerity measures imposed by the EU troika, with strong backing from the German government, was the last place where Merkel wanted a backlog of refugees causing further destabilization. The successor states of Yugoslavia that, following civil wars and NATO-bombings in the 1990s, have always been fragile, didn't need more disruptions either.

The temporary opening of borders, complemented by a deal in which Erdogan agreed to block the departure of refugee boats from the Turkish coast, helped to resolve the refugee crisis. But, despite earning her respect in some corners, it also marked the turn from Merkel superstar to a chancellor who had only one thing going for her: compared to any conceivable successor, she was seen as the best available option. She could still draw on the political capital that she had earned during her superstar days. Ironically enough, her stardom began when the rest of the world went into crisis.

In the midst of the Great Recession of 2008, she and then finance-minister Peer Steinbrück, like Scholz a Social Democrat, announced a government guarantee for private savings. The Merkel cabinet also bailed out banks and provided some fiscal stimulus as well as wage-subsidies for workers whose hours were cut while they stayed on payroll. The domestic policy response was aided by sharply rising current-account surpluses. Years of wage restraint and cuts to the welfare state, most drastically under Merkel's predecessor Social Democrat Gerhard Schröder, had lowered unit labour costs to a point where slight increases in foreign demand would generate massive export growth. Moreover, China's "super stimulus" created growing demand for investment goods, exactly the kind of goods many German firms manufacture. Rising current-account surpluses played an important role in keeping employment rates high. In fact, they exported unemployment to other countries. They also fueled a widespread sense among Germans, across classes, of being more productive and better at handling crises than people in other countries. Welfare state cuts during the Schröder-years, 1998 to 2005, had been accompanied by massive propaganda bemoaning the loss of competitiveness of the German economy. Cuts and propaganda had caused a widespread sense of insecurity and fear of the future. Rather unexpectedly, this sense gave way to renewed self-confidence during the Great Recession. The Euro-crisis that followed on its heels, revealed the nationalist side of the new German confidence. Calls by the German government for austerity in the Mediterranean countries as the only way out of the crisis resonated widely

amongst Germans, again across classes.

The nationalist core of Germany's reinvigorated export-über-allies-consensus was most explicitly spelled out by the right-wing of the Conservatives. Seeking to combine German nationalism with strict neoliberalism, they founded Alternative für Deutschland (AfD) in 2013. A rather exclusive club at the time, headed by economics professor Bernd Lucke, the AfD didn't gain much popular support until the refugee-crisis of 2015/6. At that point, the recently professed pride in the strength of the German economy turned into fears of drowning in global competition. Desperate refugees from the Middle East and Africa reminded many Germans of their imperial privileges, no matter how large or small these are depending on class position. Rising support for the AfD—the party tallied 12.6 percent of the vote in 2017 and 10.3 percent in this year's election—relied on a shift in hard-right discourse: the survival-of-the-fittest message, which made so many fear not being fit enough, was retained but wrapped in a sense of national and racial entitlement, according to which 'old-stock Germans' have a right to imperial privilege. The shift of message was accompanied by a shift of leadership as an upcoming brand of populists squeezed out the economics professors who founded the AfD.

The rise of a new right signalled the end of Merkel as superstar. A number of Conservatives were involved in establishing the AfD, a few others defected later. Others organized a hard-right current inside the CDU. The rest of the political spectrum, from moderate Conservatives to the left-wing Die Linke were left in stunned shock. Mostly affirming liberal principles against the AfD, sometimes pandering to right-wing tropes, these parties, including the CDU with its own hard-right current, came across as an insecure bloc against the emerging new right, which allowed the AfD to present itself as the only alternative to the 'state-party-media' system.

Paradoxically, the rise of the new right also led to the stabilization of the neoliberal centre that had been shaken by a series of economic and political crises since the end of the New Economy boom. Unable to restore the glitz and glamour that computers and stock markets generated around neoliberal globalization in the 1990s, not even able to restore the export-pride that marked Germany since the Great Recession and throughout the Euro-crisis, the neoliberal centre could at least present itself as a lesser evil. Compared to the hate and hooliganism coming from the right, Merkel, unpretentious and modest throughout her political career, became the last representative of decency. After Merkel, things could only get worse. Nobody else in her party could play the same role. Becoming the ersatz Merkel was left to her Social Democratic finance minister Scholz. Like her, he could say: "you know me."

Olaf Scholz and Angela Merkel at the signing of the coalition agreement for the 19th election period of the Bundestag, March 12, 2018. Photo from Wikimedia Commons.

Conservative hegemony, social democratic junior partnership

The CDU (CSU in Bavaria) has been the political centre of the ruling capitalist block throughout Germany's post-war history. Built around a core of capitalists, large and small, and state functionaries, the party also attracted significant support from the petite bourgeoisie and the working class, notably through its ideological commitment to Catholicism and, to a lesser degree, Protestantism. After German unification in 1990, the CDU could even claim to be the true workers' party as it attracted far more working class voters in the former communist East than either the Social Democrats or the SPD, the successor of the Socialist Unity Party which ruled the German Democratic Republic (GDR) throughout its existence from 1949 to 1990. However, working class enthusiasm for the CDU in post-communist East Germany cooled considerably as hopes for the kind of long boom that West Germany had already experienced from the 1950s to the 1970s were betrayed by unexpected and drastic economic decline. Despite that, the CDU remained pretty strong in the East, but never sank roots into post-communist society. Which was not a surprise as the economy was mostly dominated by West German or other Western companies, leaving only a few low-profit niches to East German entrepreneurs.

In the East, the Conservatives attracted voters but didn't have the social basis to become a hegemonic force. The Social Democrats, on the other hand, had some of their historical heartlands in the East. During the era of the 2nd International, Saxony, Saxony-Anhalt and Thuringia had been key bastions of social democratic organizing. Back in those days, the party, unions, cultural and sports clubs were part of a counter-hegemonic bloc aspiring to replace bourgeois rule. The Nazis destroyed the organizations of that emerging bloc but not its 'socialist civil society' underpinnings. However, the founding of the communist-dominated Socialist Unity Party in 1948 and, a year later, the establishment of the GDR, brought this 'society' under tight communist control. Organizations founded and run by Social Democrats in the 19th century had been re-established very quickly after the defeat of the Nazis. The Communists didn't destroy them, but incorporated them into their own organizational world. When Communist rule collapsed, Social Democrats hoped to reclaim their organizational heritage and become representatives of the working classes in their Eastern heartlands. It didn't happen. After 40 years of 'socialism from above,' workers in the East had enough of anything that could possibly be seen as somehow socialist.

This was a bitter lesson for the Social Democrats, whose organizations in the East had been taken over by the Communists in the late 1940s while in the West they had sought to rid themselves of their socialist past. During the early years of the West German federal republic, while the Conservatives were establishing themselves as the natural ruling party, the Social Democrats dropped their commitments to the working class and presented themselves as a catch-all "people's party." In this regard they resembled the CDU which, in contrast with older conservative formations, no longer presented itself as the representative of the propertied classes. However, whereas the Conservatives were able to build their hegemony around core circles of capitalists and state functionaries, the Social Democrats were still rooted in working class organizations, notably unions, and integrated in the expanding welfare state as junior partners. Beyond their basis in the industrial working class, they also gained significant support from the growing ranks of public sector workers.

In the early 1970s, it looked like an alliance of private and public sector workers, partially aligned with women's and student movements, could shift the balance of power in favour of the popular classes and push Social Democrats from being junior partners in managing the welfare state compromise to reformist socialism. This threat to capitalist class power, which coincided with the end of the post-war boom and accelerated inflation, triggered the neoliberal turn within the German bourgeoisie.

In 1975, responding to calls for austerity, the then governing SPD imposed the first welfare state cuts in the history of the Federal Republic of Germany. Modest in scope and short-lived, these cuts weren't the kind of principled austerity policy the Liberals wanted. For that, they had to quit the coalition government with the Social Democrats and elect the Conservative Chancellor Kohl. After a non-confidence vote brought him into office in 1982, Kohl won four consecutive elections and stayed in office until 1998.

His first election victory benefitted greatly from market populism, propagated by his own CDU, the FDP and corporate media, which successfully pinned responsibility for the turn from long boom to stagnation, accelerating inflation and mass unemployment on excessive state intervention and union meddling in business affairs. A key reason the neoliberal narrative gained so much traction—not least among working class voters who would later suffer the consequences of neoliberal practices—was that the left offered a cacophony of alternative stories. A small but vocal hard left called for revolutionary struggle in the face of capitalism's final hour. The Social Democrats were divided between a left-wing rallying troops for a gradual transition to socialism and a right-wing willing to accommodate calls for austerity to avoid the more drastic measures that could be expected from a Conservative government. Moreover, none of the left currents coming out of the socialist workers movement really knew what to do with demands coming from women, students and environmentalists. Though some in these new social movements and some on the old left sought common ground, the relations between the old labour left and new social movements were strained. The more ground the right-wing gained inside the SPD, the more new social movement activists and a fair number of hard leftists were convinced that it was time to start something new, which led to the founding of the Green Party in 1980. Schröder and Scholz: On and off the Third Way

Back in opposition, the Social Democrats eventually engaged more seriously with the equity and environmental concerns articulated by new social movements and the Greens. Towards the end of the 1980s, as hopes for a neoliberal trickle-down were fading, the time for a SPD-Green alliance seemed to be approaching. But it was delayed by the democracy movements, inspired by the last Soviet leader Mikhail Gorbachev, triggering the fast, and unexpected unravelling of Soviet Communism—starting with the fall of the Berlin Wall in November 1989 and ending with the dissolution of the Soviet Union in December 1991.

Ideologically, German unification led to a nationalist backlash that saw West Germans taking pride in the economic achievements so enthusiastically embraced by their East German brothers and sisters as role model for their own future. East Germans were glad to escape their former 'big brother Soviet Union' and eager to show how productive they would be if party and state bureaucracies didn't hold them back. What Easterners and Westerners shared was a nationalist version of neoliberalism: a desire to show the world that Germany's is the most competitive economy. The nationalism in this version of neoliberalism was at odds with designs of neoliberal globalization, which, in their most radical versions, heralded the withering away of the state.

As significant parts of global manufacturing were relocated to Eastern Europe and, on a much larger scale, China, management techniques, finance and ideology came from the West. Posing as master of a new world order, the US offered blueprints for a New Economy powered by computers and stock markets that would generate eternal prosperity.

Deindustrialization and unemployment rates reached 20 percent in East Germany during the first years after unification, leading to disillusionment. Paired with slow growth across the country, the decline of the East German economy also led to a massive increase in government debt. Kohl, the self-appointed liberator of market forces, looked increasingly like a lame duck big government depriving Germans of the opportunity to conquer the world market.

This was a welcome opportunity for the SPD, now firmly committed to an alliance with the Greens, to present themselves as innovators who would bring the American-style New Economy to Germany, blended with a modernized version of the European welfare-state and cautious steps towards more sustainable production. This strange brew, lumped together under the label "Third Way," sufficed to win the 1998 elections. However, hopes for Third Way prosperity were as short-lived as the excitement earlier in the decade about a made-in-unified-Germany prosperity. The end of the New Economy boom in the US made clear that the slight uptick of economic growth in late-1990s Germany was mainly driven by exports to the US. Once these slowed down, Germany entered a period of stagnation that was accompanied, as in the 1970s, by the bourgeoisie's calls for austerity.

If Helmut Schmidt introduced austerity to post-war Germany's policy toolbox in the late 1970s, the next SPD chancellor, Gerhard Schröder, was responsible for the most drastic cuts in post-war Germany. Echoing Margaret Thatcher's 1980s claim that "there is no alternative," Schröder enforced the cuts that his conservative predecessor, Kohl, had always called for but was smart enough to avoid. Schröder replaced Kohl's long-standing practice of death-by-a-thousand-cuts by a short series of massive cuts. It turned out that many voters had not voted SPD for its Third Way rhetoric or New Economy fantasies but to put an end to 16 years of cuts. Instead they got more and deeper cuts. Feeling bitterly betrayed, voters left the party along with large numbers of members and party activists. In this situation, it was easy for Merkel to gain popularity simply by ending the Schröder cuts.

While a decline in voter support and membership didn't keep the SPD out of office, it did suffer a long-term loss of trust, as did the CDU. The founding of the Greens in 1980, the Party of Democratic Socialism in 1990, which joined with SPD-dissidents to form Die Linke in 2007, and the creation of the AfD in 2013 are the political expression of long brewing crises of representation and legitimacy. The fragmentation of the party system made it increasingly difficult to obtain government majorities. The CDU and the SPD didn't enter coalition governments out of conviction, nor were

they elected with that mandate, but because it was the easiest, sometimes only, option. Since the last election a different option is on the table, although the new party mix will probably not bring about much change in policies.

Die Linke, commonly referred to as the Left Party, proposed tax-increases for the rich and deficit spending to pay for a social-ecological transition. Photo courtesy B5 Aktuell Radio.

Still no alternatives?

The far-right AfD certainly represents an alternative in terms of style. Apart from openly neo-Nazi formations, which have remained on the fringes of post-war Germany's political system, no other party ever spewed out racist and sexist hate-speech as openly and loudly as the AfD, which now also hurls insults against environmentalists. However, the policies promoted by the party are just another variety of neoliberalism. Where Kohl, and sometimes Merkel, propagated nationalist neoliberalism, and Schröder sought to reconcile neoliberal globalization with a watered-down version of welfare statism, the AfD offers 'neoliberalism in one country.' Schröder openly embraced globalization but even the Conservatives were very careful to secure world market access for German companies. They wanted Germany to conquer the world market, not run away from it like the AfD. If there is one constant in the history of the Federal Republic, it is its export-oriented policies. Unless the world market disintegrates entirely, as it did in the 1930s, the German bourgeoisie has no interest in a party advocating a closed economy, even if it is consistent with the rest of the party's program.

To be sure, bourgeois endorsement, or lack thereof, is only one factor affecting electoral success. For the time being, the AfD thrives on its image as sole opposition party. This role relies on its use of hate and fear as readily available expressions of hurt feelings of justice, disappointment, insecurity and fear. Serving up scapegoats in a dystopian world reflects these sentiments, but also locks them in. There is no escape from the hate around which the AfD mobilizes and no way out of the conditions that produce discontent in the first place. The party relies so much on psychological appeal that its actual policies are virtually unknown to its voters. Lockdowns, mask-mandates and vaccination campaigns during the COVID-19 pandemic offered more opportunities for scapegoating, but this was only appealing to a hard core of people who gravitated to new right politics before the crisis. Claims to defend individual freedom against an authoritarian state led to a radicalization within this group. However, they alienated others who may welcome calls for fewer immigrants, feminists and environmentalists but don't identify with the increasingly rowdy style of the AfD and the mob around it, and don't object to wearing masks and getting vaccinated.

Unlike the AfD, Die Linke does indeed offer policy alternatives. Although they overlap with SPD and Green election platforms, the policies put forward by Die Linke are more coherent and far-reaching. If applied, they would have the effect of reducing social inequality and shifting environmental policy from e-car hype to reducing solo automobile use and other energy-intensive activities. In contrast with the incoherent balance-the-budget-while-boosting-public-investment policies enshrined in the coalition agreement of the new government, Die Linke proposed tax-increases for the rich and deficit spending to pay for a social-ecological transition.

If a Green New Deal were to emerge, it would have to come from a coalition that includes Die Linke, not the Liberals. During the election campaign, the very prospect of such a coalition was met with hysterical warnings of a socialist takeover of Germany by the CDU and the AfD. Cornering the Social Democrats by likening them to the East German communists was standard fare in Conservative election campaigns throughout the Cold War. But rehashing anti-communist tropes more than 30 years later didn't prevent the Conservatives from being defeated at the ballot-box. And it probably didn't hurt Die Linke either. No one who feared a return of the Bolsheviks in Die Linke's clothing considered voting for Die Linke in the first place and anyone who might have considered it wasn't scared off by the warnings coming from CDU and hard-right quarters.

The reasons for the defeat of Die Linke, whose vote share fell from 9.2 percent in 2017 to 4.9 percent in this year's election, lie elsewhere. First, the very possibility that the SPD might pursue something akin to social democratic policies persuaded many former Die Linke voters to return to the SPD. Second, the Greens, who were more committed to neoliberal economic policies than even the Third Way-SPD for a while, embraced social policies more than ever before. Moreover, despite proposing more moderate environmental policies than Die Linke, the Greens successfully claimed ownership of environmental issues. In short, anyone seeking 'something social' votes SPD, while anyone seeking 'something green' votes Green; anyone seeking both is happy to see Social Democrats and Greens aligned. The third reason for Die Linke's defeat is that much of its original voter base in East Germany, which comprises people who either entirely opposed German unification or objected to the terms under which the West German state and capital pushed it through, has died in the meantime. After all, the GDR ceased to exist over 30 years ago.

There might have been other reasons as well for the defeat of Die Linke. The paradox facing the party is that while the policies it proposes score high in opinion polls, few people associate the policies they like with the party that advances them. More often than not, people vote for parties advancing policies that they don't like, as in the case of CDU and the AfD, or parties like the SPD and the Greens whose willingness to cater to voter preferences exceeds their readiness to act.

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Source Canadian Dimnension.

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