

In wake of elections, Germany heads for a 'grand austerity coalition'

by Rainer Apel

Increasing public annoyance with the parties currently sitting in Germany's lower house of parliament, the Bundestag, came to the surface on April 5 with the election results in a number of German states. The fact that almost 30% of all registered voters in the states of Baden-Württemberg and in Schleswig-Holstein sat this election out, highlights the problem, as does the fact that the nationally ruling Christian Democratic Union (CDU) and the opposition Social Democratic Party (SPD) encountered voters' wrath in equal measure: The Baden-Württemberg CDU received a full 9.4% less than the 49% it won in the last election in 1988, while the Schleswig-Holstein SPD fell back about 8.6% from the 54.8% it had attained four years ago.

The high voter abstention rate, the huge electoral losses for the CDU and SPD, combined with the steep increase of votes for the parties on the right—the German People's Union (DVU) with 6.3% in Schleswig-Holstein, and the Republikaner (REP) with 10.9% in Baden-Württemberg—not only make the April 5 elections a protest election, but also usher in an era of increasing ungovernability. It is a trend which has also shown up in recent electoral developments in the other western European countries. Loss of confidence in the ruling parties is huge in all these countries, and the electoral gains made by the extreme and separatist parties is equally striking.

A government of 'blood, sweat, and tears'

The situation in Baden-Württemberg, where a parliamentary majority can now be achieved only through construction of a "grand coalition" between the CDU and SPD, is symptomatic of the common trend, which is no less discernible in Schleswig-Holstein, where the SPD, with its final vote total of 46.2%, can still put together a majority without the CDU. Not without reason did Bjorn Engholm, Schleswig-Holstein's governor, repeat his offer to the CDU and to Chancellor Kohl, to discuss the great problems of national policy together around a great roundtable. Engholm spoke of "blood, sweat, and tears."

Representatives of German industrial interests have likewise been advocating close CDU-SPD collaboration, or an outright grand coalition, at least in Baden-Württemberg.

Only two days after the election, at a session in Stuttgart of the Central Neckar Chamber of Industry and Commerce, the president of the German Conference of Industry and Trade (DIHT, the national umbrella organization of the chambers of commerce), Hans-Peter Stihl, made an appearance expressly for the purpose of speaking in favor of a grand coalition as the only viable way out. And shortly after the election results became known, both the Baden-Württemberg SPD's top candidate, Dieter Spoeri, and Erwin Teufel, the incumbent CDU governor of the state, hinted at the possibility of such a coalition.

Discussions about a coalition between the CDU and SPD, particularly given the current economic and financial crisis situation, brings up memories of the mood during the crisis-ridden summer of 1966, when in a very similar political climate a grand coalition was first put together in the state of North Rhine-Westphalia, and by the end of the year also in the capital Bonn. Have things gone so far today, that after the coming together of the two large parties in Stuttgart, a CDU-SPD coalition will also follow in Bonn in a few months? And the most important question on everyone's mind: What will the policy of this new government be?

Concerted action for austerity

Germany's citizens, its economy, and the nation in general would in fact benefit from a grand coalition—provided, that is, that such a coalition would decide to do what the Stuttgart branch of the International Chambers of Commerce (IHK) demanded in their April 7 call for such a coalition: The years of blocking of important infrastructural and industrial projects by ecologists and bureaucrats should be brought to an end, and the construction of roads, railways, and power stations should once again become the top priority.

But above all, such a coalition would have to do what neither the Stuttgart IHK nor DIHT president Stihl have demanded: establish a kind of development bank on the basis of federally guaranteed low-interest, productive credit. Public and industrial debts must be canceled, reduced, or at least frozen until they can be settled at a later time, so that public and private investors would not be burdened with high interest payments. And that is precisely what is lacking

in the countless calls heard nowadays for a "great roundtable" or a "grand coalition." This central aspect of a real economic and political change is being neglected, with the result that the only idea that occurs to the party politicians, is to set their course toward extraordinary austerity measures. And so we are seeing apparently total agreement among all the parties, that money earmarked for projects in eastern Germany be taken out of funds which had already been granted or planned for projects and public expenditures for social welfare, for defense, research, and subsidies in the western Germany.

Even before the April 5 elections, politicians of all parties had been committed to adopting an extraordinary "Law for the Security of the Federal Budget," which is to enable the government to make drastic cuts and to eliminate or postpone all sorts of financial obligations. Welcome again to the Stability Laws of the 1966 Grand Coalition, with their "skimming" clauses. It also does not bode well that Chancellor Kohl has just announced that after Easter he will convene a great roundtable discussion with the Social Democratic parliamentary whips and party chiefs, along with all state governors, in order to talk about certain changes in the law for which "a two-thirds majority would be necessary." With the weight of a two-thirds majority enjoyed by a combined CDU and SPD, German citizens' wallets are to be emptied—that's what it amounts to.

Debate on sanctuary is a side-show

A great party roundtable will also doubtless make some changes in Germany's laws on political asylum, simply because this is ostensibly a popular issue, and because the disappearance of voters on April 5 and the turn toward the right-wing parties are related to it. The continued economic collapse of the countries of eastern Europe and the Soviet Union, along with the civil war in the Balkans, has brought a flood of refugees into the country, providing fertile soil for all sorts of xenophobic demagoguery.

But meanwhile, behind the cloudy curtains of propaganda, changes in the law are to be decided upon, under the catchword "budget security," changes which are aimed at legally securing the federal grip on German citizens' income. The federal and state governments—and this is why Kohl wants to have the governors there after Easter—intend to divide up the booty proportionately. Thus, while everyone will be encouraged by the party politicians in Bonn to remain fixated on the rise of the right-wing REP and DVU parties, the SPD and CDU will be secretly putting everyone's wallets on a crash diet. Parallels to the 1966 "grand coalition" operation are also obvious here.

An especially important aspect of these considerations of party strategy in Bonn, is that no regular elections are scheduled for the next 20 months. Indeed, shortly after his return from the United States, Chancellor Kohl said that there will be no elections until the spring of 1994, and that on April

3 of that year people will be able to join him in celebrating the chancellor's 64th birthday with news about the visible economic upswing in eastern Germany. Kohl has the last word—but only so long as he remains chancellor.

Can Kohl hold onto his post?

In the meantime, and especially following the April 5 election debacle, questions about the chancellor's political future are being posed with increasing vigor within the CDU itself. It is very interesting to note how Kohl's critics and challengers from the period before 1989, all of whom had been presumably silenced for good, such as Lothar Späth and Kurt Biedenkopf, are once again stepping before the public with remarks on the "weakness of leadership" in Bonn and on the acute necessity of a "financial reckoning." Biedenkopf is even treated as a promising candidate for post of deputy CDU party chief. This would happen next autumn, in a planned reshuffling of the top party leadership, made necessary because of party General Secretary Volker Ruehe's move into the Defense Ministry following the resignation of Gerhard Stoltenberg, as well as because of the impending great reorganization of the government in Bonn.

All this, however, will not be enough to endanger Kohl's position within his party—unless there is an enormous increase in dissatisfaction with him and his political wheeling and dealing with the party base, especially in the eastern states. But the longer people have to keep waiting for the economic upswing which Kohl has once again promised, the more they will become fed up with him. Demands from the party base for a "new policy" will be linked ever more frequently to demands for "new faces." Johannes Nitsch, deputy chairman of the CDU faction in the Saxony state parliament, said on April 7 that this demand will include the chancellor, even though there is no substitute for Kohl at present.

Kohl himself would prefer to avoid a grand coalition, and is ready, if need be, to form a roundtable with the SPD opposition. Here, however, it can be foreseen that the Social Democratic leadership, which is troubled with growing dissatisfaction in its own party base, will not be satisfied with such a non-binding arrangement. A drastic worsening of the economic and financial situation in Germany, which will only be accelerated under the tighter austerity policy on the federal and state level, and which could hit by the end of this year or the beginning of the next, is very likely to raise the pressure for the formation of an outright coalition between the CDU and SPD. Should Kohl oppose this, he could fall, as his own party withdraws its fealty to him.

The first big alarm signal in this direction could be the increasing demand within the party for Kohl to give up the party chairmanship sometime during the coming weeks, and to concentrate on being chancellor. But it's a long time until April 3, 1994; a lot can happen between now and then in these uncommonly fast-moving times.