### From Marx to Merkel:



Mrs. Merkel and friends. Will she be the Killer Queen?

Will Germany gamble on an Ossi's born-again commitment to Globalization?

The German Federal Elections, 18<sup>th</sup> September, 2005

#### Introduction

On 18<sup>th</sup> September, Germany goes to the polls for the fifth time since reunification in 1990. For the first time a candidate educated in the old East Germany is leading one of the two main parties. Christian Democrat leader, Dr. Angela Merkel, seemed like a shoo-in when Social Democrat Chancellor, Gerhard Schroeder called a vote of no confidence in his own SPD-Green coalition government on 22<sup>nd</sup> May. The SPD had only 25% in the polls while the CDU seemed close to an absolute majority in its own right. However, four months is a long time in politics. As polling day approaches, centre-right and centre-left are roughly equal in the opinion polls.

From being the apparently inevitable beneficiary of Germany's seven year itch with Chancellor Schroeder's government, Dr. Merkel has become the issue at the heart of the election. Whereas four months ago, the SPD and its leader seemed destined for electoral oblivion on the back of more than 5 million unemployed and a raft of unpopular reform policies, the CDU, which had been sweeping all before it in regional elections, including in Social Democrat strongholds like NordRhein Westfalen, suddenly stumbled once the election campaign got going.

Millions of disgruntled Germans may have switched in local elections to the CDU to express dissatisfaction with Chancellor Schröder's failure to reduce stubbornly high unemployment and to indicate unhappiness with his projected cuts in public spending and welfare benefits. The so-called Hartz reforms – named after their originator, the Volkswagen director, Peter Hartz, now embroiled in a sleaze scandal, have wide support in the political class but less consensus among ordinary voters. In fact, the prospect of installing in power in Berlin a CDU-government committed to even more tax rises, spending cuts and labour market changes aimed at reducing job security seems to have sent jitters through these protest voters. If they disliked Schroeder's austerity policies wouldn't they hate Angela Merkel's plans?

Dr. Merkel suddenly became the issue. Instead of riding into the Chancellery as the Not-Schroeder candidate, she found herself faced by unexpected scrutiny of her policies and her personality. A slick advertising campaign predicated on the assumption that Schroeder would be the target of public scrutiny while "Angie" could be marketed as Germany's "Iron Lady"

stumbled as soon as Schroeder showed his old deftness as a campaigner and Dr. Merkel was confronted by her lack of experience as a top-flight street-fighter.

Much emphasis has been placed on Dr. Merkel's gender as an issue in the election, or even as the source of her difficulties, making her as much the victim of backbiting by male rivals in the CDU as of frontal attack by the four-times married Alpha male, Gerhard Schroeder. Whether Germany is "ready" for a woman head of government will be revealed on 18<sup>th</sup> September, but it may well be that the gender issue distracts attention among outside observers from the deeper doubts about Angela Merkel, which lurk, rarely reported, below the surface of German politics.

Dr. Merkel is not only the first woman to come so close to ruling Germany she is also the first East German.

Even more than her lack of campaigning charisma<sup>1</sup> and the divisions in her own ranks over the wisdom of pursuing neo-conservative nostrums rather than classic Christian Democratic recipes for economic success, and certainly more problematic than her being a woman, Angela Merkel's problem with the voters was their inability to identify with her. Neither former Ossis who had shared her upbringing in the Communist East nor ex-Wessis who grew up in the prosperous West Germany before 1989 seem to feel at home with Angela Merkel. She is an outsider in both parts of Germany. However, to those who have followed post-Communist politics elsewhere in Eastern Europe – the so-called New Europe – Angela Merkel's political profile and policy choices will come as less of a surprise.

Anyone wanting to know how a Merkel-led Germany would relate to its neighbours in the EU, to Russia and the rest of the former Communist world, to the United States and the "war on terror" and relations with countries like Iran needs to consider her not only in the German context but in the post-Communist one. For Germans too, the great majority of whom had no direct experience with life under Communism (more than 60 million out of 82 million) getting to know Angela Merkel is not easy. The trauma of de-Nazification is familiar to the older generation of Germans but post-Communism is something alien to the direct experience of most of them.

# The Resistible Rise of Angela Merkel

Germany is rarely compared with the former Communist countries. After all fewer than 16 million of the 82 million Germans live in the five new Bundeslaender which emerged out of the ruins of the DDR in October, 1990. Yet not only Angela Merkel herself but also key features of the current German political scene and issues of her future foreign policy as well as internal developments resemble the ex-Communist states of the so-called New Europe.

Her parents took the remarkable, almost unique decision, to move from West Germany to the Communist East in July, 1954, shortly after Angela Kasner was born. This proved to be the decisive development in her life story. Since her father was an Evangelical pastor in an officially atheistic and materialist state, life was bound to be complicated. Yet efforts to stylise her upbringing and early adult life as those of a victim of Communism ring hollow. To be fair, after initial biographers had harped on this line, Angela Merkel herself played down the alleged difficulties of her early life, though she has tended to emphasise her dissenting views.

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<sup>&</sup>lt;sup>1</sup> The pro-CDU newspaper, Frankfurter Allgemeine Zeitung characterises her as "a serious woman for a serious time" See www.faz.net/.../doc~E8908654C1126482CB112413B7EF4891D~ ATpl~Ecommon~ Scontent.html, while Die Welt's Thomas Kielinger replied to a BBC interviewer, who cooed that Merkel was "very charismatic", "not exactly". BBC News 24, 12.32pm, 16<sup>th</sup> September, 2005. Matthias Jung of Forschungsgruppe Wahlen (ZDF 5<sup>th</sup> Sept 05, 10.08pm,) declared Merkel had won the so-called "Chancellor duel" because she did less badly than expected: 46% thought she did better than they had expected. Only 16% had a better view of Schroeder even though 57% thought Schroeder won the debate.

Although her biographer, Nicole Schley, suggests that her parents were so poor that the young Angela and her siblings wore Western clothes like jeans - gifts from relatives in West Germany - as they grew up in the 1960s in the walled-in GDR, many of their contemporaries must have seen such Westprodukte as examples of privilege rather than poverty.<sup>2</sup> Examples of young Angela's dissidence seem hardly subversive: in her last year at school, she helped organise a collection of aid for the Marxist-Leninist guerrilla group, Frelimo, fighting Portuguese troops in Mozambique rather than for the Vietcong fighting the Americans, and then she sang the Internationale in English!3

During her 5 years of study at the Karl Marx University in Leipzig (1973-78), Angela Merkel joined the Free German Youth (FDJ), the youth wing of the East German Communist Party (SED), and held the post of Kulturreferentin, which she insisted after the fall of the Wall meant that "I had to concern myself with ordering theatre tickets" for her fellow members of the FDJ. She took part in the obligatory voluntary labour required by the Party, helping to turn the Moritz bastion near the university into a student club – though "not exactly overworking", she remembered in 1993. She also attended classes in Marxism-Leninism which were required for physicists as for all other students, though as her biographer, the CDU politician and political scientist, Gerd Langguth notes, "None of Angela Merkel's works on questions of Marxism-Leninism have turned up."4

A carefully guarded privacy is very much a feature of Dr. Merkel's approach to life. Her first husband, Ulrich Merkel, and family members are reluctant to talk about her or themselves. Her second husband, Professor Joachim Sauer is similarly publicity shy. His curriculum vitae on the Humbold University homepage offers next to no information about his life. He gives his year of birth, 1949, but not his birthplace, which was in Saxony. He apparently never joined the SED though he rose to full professor and was allowed to travel to the West in 1988. Dr Joachim Sauer helped her with her doctoral thesis after she had left Ulrich Merkel, after 5 years of marriage in 1982. Angela Merkel married him on 30<sup>th</sup> December, 1998 at the Bonn registry office, after 17 years of living together- without her parents being present.<sup>5</sup>

If her school life was marked by prizes as well as occasional official suspicions about her religious background (usually laid to rest by her father, Horst Kasner's contacts with the authorities whose "church in socialism" model he supported), later on at the institute in East Berlin where she had a post after graduation, Merkel actually took part in FDJ discussions about current developments in the 1980s but avoided, as Schley puts it, putting her head on the line [in German "out of the window"]. The Adlershof Instutite was an island of privilege inside East Germany. Westerners might find it risible that bananas were available in its nomenklatura Konsum in the 1980s but that was quite something for Ossies.

Jens Reich, as a Catholic dissident, had not regarded visiting Evangelical Protestant churches as a normal thing to do until, as the 1980s progressed, certain Evangelical parishes became centres of critical discussion. Often the traditionally devout Protestants looked askance at the bearded dissidenti who began to attend church as the way to find a relatively free space for discussion. Jens Reich recalled seeing Angela Merkel, whom he knew by sight

<sup>&</sup>lt;sup>2</sup> See Nicole Schley, Angela Merkel. Deutschlands Zukunft ist weiblich (Knaur: Munich, 2005), 14.

<sup>&</sup>lt;sup>3</sup> See Schley, *Angela Merkel*, 16-17.

<sup>&</sup>lt;sup>4</sup> See Gerd Langguth, Angela Merkel, 79-80. In the Welt am Sonntag, Ralf Georg Reuth noted that records of the FDJ's Agitation department in Leipzig during Frau Merkel's time had disappeared. http://www.wams.de/data/2005/06/19/734033.html One blogger claims to have seen a television report showing the young Ms Merkel in the blue shirt and red scarf of the FDJ greeting Erich Honecker himself, but no picture confirms this claim. See <a href="http://www.zdf.de/ZDFforum/ZDFde/inhalt/">http://www.zdf.de/ZDFforum/ZDFde/inhalt/</a> 13/0,1872,2344973,00/thread362331.php. At the other extreme, the former leading British Communist Party official and current editor of the Financial Times magazine, John Lloyd, has been in the forefront of defending Angela Merkel's reputation against smears from the Stasi files. See http://news.ft.com/ cms/ s/d4cecac2-2028-11da-b59e-00000e2511c8.html.

See http://www.taz.de/pt/2005/05/30/a0166.nf/text.

<sup>&</sup>lt;sup>6</sup> See Schley, 19.

<sup>&</sup>lt;sup>7</sup> See Christoph Seils, "Ich war gerne in der FDJ" in Cicero (2223<sup>rd</sup> November, 2004) @ http://me.inberlin.de/~seils/artikel/merkel-cicero.htm

from the research institute complex at which they both worked, at the Gethsemane church in East Berlin, when he began to attend dissident gatherings there under cover of church services, but Dr. Merkel withdrew to another parish as the Gethsemane church became notorious to the authorities as a centre of opposition. There is no evidence that Angela Merkel participated in any of the growing wave of demonstrations which shattered the Communists' hold on power in autumn, 1989. Even after the Berlin Wall fell on 9<sup>th</sup> November, 1989, Angela Merkel went to an academic conference in Torun in Poland. Only then, noticing that the Communist system was clearly on its last legs, did she step forward and seek out one of the new post-Communist parties which had begun to organise in the previous few weeks. Even her supportive biographer, Schley admits, "Only in December, 1989, did she get to know the "Democratische Aufbruch"... Somehow or other, Angela Merkel felt she was called to help it and by organising its office bring order out of chaos." ("Democratic Upsurge" party – DA)

Very soon it became clear that the DA was not going to make an electoral breakthrough in the first post-Communist polls on 18<sup>th</sup> March, 1990. Not only was it damaged by recurrent exposes of leading members as Stasi informers, but the West German chancellor, Helmut Kohl, put his weight behind the East German CDU.

The DDR was not strictly-speaking a one-party state. The East German communists held only 42% of the seats in their own right in the DDR's Volkskammer. A number of so-called mass organisations but also three other parties held seats there after 1946 in alliance with the Communists as part of the National Front. The biggest "puppet" party was the East German version of the Christian Democratic Union.

The Ost-CDU had 200,000 members in 1989. Kohl decided to incorporate it into his own anti-Communist CDU which gave him a huge electoral advantage over his rivals in the SPD. The Social Democrats had been banned in the DDR and so had to set up from scratch after 1989 whereas Kohl had a flying start utilising the newspapers and offices of the Ost-CDU for his own campaigning.

This absorption of the Ost-CDU gave many of its former members what the Germans call a "Persil voucher", cleaning up their pro-Communist pasts. For instance, among current active CDU politicians are Bundestag members like Ulrich Adam, who holds the next door seat to Angela Merkel's in north-east Germany. Mr. Adam ran a furniture factory (since closed down) under the old regime and was a senior activist in the local "Fighting Group of the Working Class" according to disgruntled SPD supporters in Greifswald. Another upwardly mobile fellow traveller of the old regime is Dieter Althaus, who joined the puppet CDU in 1985 but is now prime minister of Thuringia. As late as June, 1989, the FDJ awarded Althaus a gold medal for "outstanding achievements in Communist education in the Pioneer [organisation] Ernst Thaelmann" – but the regime disappeared before it could be pinned on his chest if he had been still willing to receive it!

What is striking is that whereas collaborators of the old regime have made careers in high politics in the new Germany almost all the dissident figures of the DDR, even ones like Rainer Eppelmann, who joined the CDU, have faded from the scene, leaving only Markus Meckel, last DDR foreign minister (SPD) and Arnold Vaatz, an old dissident (CDU) as the only critics of the DDR-regime with a chance of winning seats on 18<sup>th</sup> September. Dr. Merkel represents the politically upwardly mobile, post-1989 class of ex-DDR citizens, who either served the old regime in one of the Bloc parties or were silent and obedient to all outward appearances.

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<sup>&</sup>lt;sup>8</sup> See See Christoph Seils, "Ich war gerne in der FDJ" in Cicero (2223<sup>rd</sup> November, 2004) @ http://me.in-berlin.de/~seils/artikel/merkel-cicero.htm

<sup>&</sup>lt;sup>9</sup> See Schley, 23-24.

<sup>10</sup> See http://www.d-althaus.de/persoenlich.0.html?&no\_cache=1

<sup>&</sup>lt;sup>11</sup> See http://de.wikipedia.org/wiki/Dieter\_Althaus

<sup>&</sup>lt;sup>12</sup> See http://www.faz.net/s/RubAC861D48C098406D9675C0E8CE355498/Doc~E198614 EB301947A89ABB86705774B6DF~ATpl~Ecommon~Scontent.html.

<sup>&</sup>lt;sup>13</sup> See Rolf Schneider, "Das Andere an Angela Merkel" in Die Welt (12<sup>th</sup> September, 2005) http://www.welt.de/daten/2000/08/21/0821me186516.htx.

Langguth describes how Horst Kasner worked closely with Stasi informant Clemens de Maiziere on forming the SED church policy. De Maiziere's son Lothar would later play a decisive role in Angela's life during his brief stint as DDR-Premier (before he too was exposed as a Stasi informant). <sup>14</sup> His cousin in the West, Thomas de Maiziere, was a senior Bundeswehr officer. The de Maizieres were a family on the fringes of power on both sides of the Iron Curtain.

Despite her dependence on male patronage in the past, nobody can accuse Angela Merkel of self-doubt. In the run up to the polls, she told ntv that she could not think of any "errors" that she had made! 15 But her rise was dependent on the favour – sometimes almost arbitrary decisions - of powerful men, most of all Chancellor Helmut Kohl's decision to bring her aboard his CDU juggernaut in October, 1990 after reunification meant the end of her newfound career in the DDR premier's press office.

Rising on Helmut Kohl's coat-tails, Angela Merkel's career became one of East Germany's few undoubted post-unification successes.

CDU conferences since 1990 have resembled those of the old Soviet bloc parties. The delegates have primarily been summoned to endorse decisions made behind closed doors. Angela Merkel's ability to rise with her patrons before pushing them aside has served her well inside the CDU-apparat, even if it left her without a prominent public face. Kohl found Merkel unblemished and useful to him as a token woman as well as an Ossi to counter the charge that he led a government that was too male, too Western and too Catholic.

After he lost the general election in 1998, Helmut Kohl's hold on the CDU was naturally weaker. After sixteen years in power, choosing a new leader was an obvious way to reinvigorate the party. However, Kohl's fall was precipitated by the revelation of a financial scandal, hidden until he was out of office. Although German law permits donations to parties, it is restrictive in its operation and the parties in the Bundestag and regional assemblies are generously funded by the taxpayer to avoid them becoming beholden to special interests. By accepting undeclared cash donations and then refusing to name the donors ever afterwards, Kohl tarnished his reputation leaving himself open to the charge of corruption. It was Angela Merkel who dealt him the Brutus-blow by publicly denouncing him in a front-page open letter in the Frankfurter Allgemeine Zeitung. She didn't inform her immediate superior, Wolfgang Schaueble of her decision to issue the public call for Kohl's head, and so helped set in train his downfall too on similar charges. Nobody in the German business world apparently thought of offering the CDU's lady general-secretary a cash donation, or at least thought wiser of it.

Just as the American media (and the bulk of the British) gave a warm welcome to ex-Nazis and silent fellow travellers with Hitler who joined the anti-Communist crusade after 1945, so today across ex-Communist Europe former Communist bigwigs like Poland's President Kwasniewski as well as obedient drones in the Communist machine are welcomed on board the New World order. Pasts are ignored or reinvented, certainly polished to fit today's retrospective standards for political correctness.

The American public is given a reassuringly Cold war portrait of Angela Merkel as the silent dissident. John Vinocur told the readers of The New York Times: "Merkel is a woman who says she welcomed from inside East Germany the strength of Ronald Reagan, still a Pavlovian alarm bell for many on both sides of the old Wall, in facing down the Soviets." 16 This retrospective pro-Americanism, which has a long tradition in Germany dating back to April, 1945, is also reminiscent of a bon mot beloved of the former KGB chief, politburo

<sup>&</sup>lt;sup>14</sup> In addition to Langguth's biography, see "Angela Merkel: East German Opportunist" @ http://dialoginternational.typepad.com/dialog\_international/2005/07/angela\_merkel\_e.html 

15 Interviewed on *ntv* (6.45pm, 5<sup>th</sup> September, 2005).

<sup>&</sup>lt;sup>16</sup> See http://www.iht.com/bin/print\_ipub.php?file=/protected/articles/2005/09/12/news/politicus.php.

member and president of Azerbaijan, the late Heydar Aliev: "I was always a democrat. It is just that you didn't notice!"

#### **Revolution from Above**

Once it was Otto von Bismarck who was accused - by left and right - of carrying out a White Revolution from above, uniting Germany in 1870 but also creating the world's first welfare state to keep the workers happy in the new European superpower. Today, 15 years after reunification, the new revolutionaries speak with contempt for Bismarck's legacy. The neoconservatives disapprove of patriarchal welfare conservatism and Merkel has been in the forefront of those recognising that "a policy of cuts, reductions and savings is essential."

Since 1998, a plethora of "independent" think tanks and agit-prop organisations promoting policies similar to Dr. Merkel's have sprung up in Germany. They vigorously tout the neoconservative, reform agenda without formally falling under the party financing rules. To American readers, this will seem perfectly normal: both main parties in the United States are backed by a host of non-profit propaganda arms disguised as research centres and foundations. After the Nazi experience, the founding fathers of the West German Federal Republic had hoped to insulate electoral politics from the overweening influence of media moguls and other financial interests who were thought to have paid to bring Hitler to power. Maybe they were naïve to think money could be kept out of politics - as the Flick Affair in 1982, Kohl's travails after 1998, and the army of lobbyists today show – but certainly, Dr. Merkel's ideological appeal has been fostered by extra-parliamentary interests whose access to the media is unregulated by the demands of fairness in political campaigns.

The Initiative New Social Market Economy is the classic insider NGO whose members and sponsors read like a roll-call of Germany's business and media elite. It was described by Stern as an "extra-parliamentary opposition from above." 30 years ago, West Germany was beset by protests in the streets from an extra-parliamentary opposition (APO) which gave birth to the political careers of current Foreign Minister, Joschka Fischer. Today's APO exerts its influence through newspaper columns, carefully staged media discussions and television documentaries playing on Germans' Angst.1

In a speech in January, 2003, Merkel welcomed the decline in full-time employment and the growth of self-employment "a new quality of life and economic existence has emerged" But, as in Britain, many of the new self-employed are not high-earning management consultants or rock stars but in practice low wage-earners forced to adopt the new status of self-employed in order to do their old jobs on a short-term contract basis without security or other potential benefits from the employer in event of losing their jobs. Part-time work too is growing. For instance in the service sector, full-time employment fell by 227,000 in 2003-04 but so-called "mini-jobs" rose from 176,00 to 835,000.21

The obsession with root-and-branch "reforms" is the opposite of the approach that Karl Popper thought characterised an "open society". Today, when the idea of civil society has been widely popularised and sponsored by George Soros and his Open Society Foundations it is ironic that treating whole societies as human laboratories as Stalinists did has come back into fashion. Language about the "Estonian experiment" is perfectly acceptable - at least to those who note only the number of Mercedes in Tallinn's streets rather than the unlit farmhouses in the countryside and the heroin needles in the back streets of Narva.<sup>22</sup>

<sup>&</sup>lt;sup>17</sup> Speech in the German Historical Museum (3<sup>rd</sup> October, 2003). See also Albrecht Mueller, *Die* Reformluege, 306.

<sup>&</sup>lt;sup>18</sup> See Mueller, 65.

<sup>&</sup>lt;sup>19</sup> The FAZ insisted in the run up to the poll that Germans were more Angst-ridden than ever: "Soviel Angst wie noch nie" (9<sup>th</sup> September, 2005).

<sup>&</sup>lt;sup>20</sup> See Mueller, *Die* Reformluege, 283.

<sup>&</sup>lt;sup>21</sup> See Mueller, *Die Reformluege*, 403 note 67.

<sup>&</sup>lt;sup>22</sup> See Charles Handy, *The Hungry Spirit* (Hutchison: London, 1997), 41: "They told me that there were more Mercedes per head than in neighbouring Finland...", and the BHHRG on heroin in Estonia, http://www.oscewatch.org/CountryReport.asp?CountryID=31&ReportID=195&keyword=heroin. For

Slovakia, another "booming" New European model for Germany has upped education spending per capita – to the level of Mexico! It has closed 378 schools in the last two years to take account of the demographic implosion following its "successful" reforms. In other words, although Germany's reform ideologues insist that reform is needed to reverse Germany's declining population, their model of reform has promoted demographic collapse and mass emigration from New Europe. Anyone entering a British café or restaurant will find Polish, Slovak and Baltic waiters on the staff – only over-qualified for their new careers but unable to find any work, even menial labour at home in the "cauldron" of reform. <sup>23</sup>

Flat tax Estonia is expected to see its population fall from over 1.5 million at independence to 1.25 million by 2009, according to the UNDP.<sup>24</sup> Yet the proponents of the Methuselah myth about Germany want the Estonian model imitated. [For The *Wall Street Journal's* editorial "The world is flat" listed any number of basket cases with demographic decline and mass migration as good cases for flat taxes!<sup>25</sup>

The journal *Der Spiegel* is the main pseudo-intellectual populariser of the neo-conservative myths that "die Deutschen sterben aus" just as twenty five years ago it propagated the myth of "Waldsterben", now long forgotten. Naturally, the Spiegel has promoted the allegedly arch-conservative FAZ's Fran Schirrmacher, publishing his essay "*Die Revolution der Hundertjährigen*", a potent mix of senophobia (anti-elderly feeling) and fear of power hungry feminists – not Dr. Merkel, of course.<sup>26</sup>

While Germany's exports grow showing how successful at global competition the country is, its internal market has stagnated relative to its external dynamic. In other words, the loosening of workers' rights and the downsizing of welfare have yet to stimulate domestic consumption. The neo-conservatives demand more reforms. Like the Trotskyites of old – and how many of them were 1968-ers on the barricades for Marx and Mao in their youth! – failures in their system are due only to a failure to be ideologically rigid and sufficiently fanatical. As many of Merkel's supporters say, reform is only the start of the reform process! Instead of the permanent revolution of their Trotskyite youth, the international of neo-conservatives preaches reform without end.

Once the relentless rhetoric of reform was a peculiarly Communist phenomenon. Adam Michnik noted that socialist systems claimed both to be ideal but always in need of reform! Marxism-Leninism has given way to market economies almost everywhere but the rhetoric of permanent reform has now been taken up in the new economies, even if it trips most easily off the tongues of ex-Communists east and west.<sup>27</sup>

# **Christian Democracy or Market-Leninism?**

the experiment, see Olev Raju, "Estonian Experiment in Tax Policy: Abolition of Corporate Income Tax" @ <a href="http://www.eurofaculty.lv/taxconference/files/tp\_B2/Raju.pdf">http://www.eurofaculty.lv/taxconference/files/tp\_B2/Raju.pdf</a>.

<sup>&</sup>lt;sup>23</sup> See Martina Kubanova, "Slovakia: From Reform to Reward" in *Transitions online* (15<sup>th</sup> September, 2005) <a href="http://www.tol.cz/look/TOL/printf.tpl?IdLanguage=1&IdPublication=4&NrIssue=133&NrSection=3&NrArticle=14705&ST1=ad&ST\_T1=job&ST\_AS1=1&ST2=body&ST\_T2=letter\_ast\_AS2=1&ST3=text&ST\_T3=aatol&ST\_AS3=1&ST\_max=3</a> For the cauldron metaphor, see James Meek, "Berlin Blues" in *The Guardian* (15<sup>th</sup> September, 2005) <a href="http://www.guardian.co.uk/print/0,3858,5285944-103532,00.html">http://www.guardian.co.uk/print/0,3858,5285944-103532,00.html</a>.

<sup>&</sup>lt;sup>24</sup> See <a href="http://www.undp.org/rbec/nhdr/1996/summary/estonia.htm">http://www.undp.org/rbec/nhdr/1996/summary/estonia.htm</a>.

<sup>&</sup>lt;sup>25</sup> See 29<sup>th</sup> August, 2005 edition <a href="http://www.opinionjournal.com/diary/?id=110007174">http://www.opinionjournal.com/diary/?id=110007174</a>.

<sup>&</sup>lt;sup>26</sup> See *Der Spiegel* (15<sup>th</sup> March, 2004)

<sup>&</sup>lt;sup>27</sup> For Michnik, see Carl Tighe, *The Politics of Literature. Poland, 1945-1989* (University of Wales Press: Cardiff, 1999), 270.

"The Leninist of the Market Economy" was the Berliner Zeitung's headline on its portrait of Angela Merkel on 12<sup>th</sup> September, 2005 It admits she had to learn the rituals of German political speechifying after 1989 but welcomes the clean break with the old West German certainties implied by her policies. "She appears as the Leninist of the market economy. Her picture of Germany is as a tabula rasa without history, in which tax questions and wage costs are the motors of progress."28

Appropriately entitled the "Globalist", the International Herald Tribune's Roger Cohen writes that "The more unfettered economies of Europe have emerged over the past decade in the former Communist states. It is no coincidence that the most pro-American governments also tend to be in those countries. Look for Merkel to lead a Germany with closer ties to the United States, a more critical view of France and, just possibly, an economy bullish enough to change Europe's mood."<sup>29</sup> And, "To understand Merkel, never forget where she came from..."

John Vinocur took the same dialectical line in the IHT a week later: "Europe, and France in particular, are going nowhere down the track to revitalization without a victory by Angela Merkel in the German elections on Sunday... But before Sarkozy can move in France, Merkel has to succeed."30

Merkel is seen as a German Sarkozy, who is the neo-cons favourite in France as the man to put the derided "surrender monkeys" through the wringer of reform. Vinocur declared, "Like him, she is a politician who has told her electorate that it cannot stop the cycle of no-growth and mass unemployment without experiencing pain." So 5 million unemployed is not enough pain for the true reformers.

Vinocur argued that Germans needed "a lick of the lash now," such as higher VAT "to finance steps creating new labor market flexibility", i.e. more unemployment, at least in the immediate future - this when 5 million unemployed was supposed to be the key election issue. Sadoreformers demand pain before gain, but sometimes pain is all the people get. After all Lenin and Stalin promised paradise on earth if only the proles would tighten their belts now. 31 Angela Merkel claims it was her experience of socialism in East Germany which opened her eyes to how socialistic West Germany was, something Wessis did not recognize.32

# Orange Angie: Germany swaps the Rhineland model for the Ukrainian one

With the Rolling Stones blaring out at her rallies, Dr. Merkel has been re-branded as a cool cat, "Angie". The same type of media consultants who poured money and spin-meistery into turning the dull apparatchik, Viktor Yushchenko, into the Orange-man have put their backs into reinventing Angela Merkel. Sadly, their imagination had run out of colours, so they chose to stick with Orange - just as red faces were the new fashion in a Ukraine hit by devastating corruption allegations and infighting among the Western media's darlings. Not that the

<sup>29</sup> See Roger Cohen, *Globalist*, "In Merkel, a bold rise from Communist ashes" in *IHT* (3-4<sup>th</sup>

<sup>&</sup>lt;sup>28</sup> See <a href="http://www.berlinonline.de/dossier/politik/wahl05/blz">http://www.berlinonline.de/dossier/politik/wahl05/blz</a> 30003.html.

September, 2005).  $^{30}$  See John Vinocur, "Politicus: Merkel's reform menu may prove too much" in  $\it International Herald$ *Tribune* (12<sup>th</sup> September, 2005).

<sup>&</sup>lt;sup>31</sup> See Vinocur's "Merkel's reform menu" <a href="http://www.iht.com/bin/print\_ipub.php?file=/protected/">http://www.iht.com/bin/print\_ipub.php?file=/protected/</a> articles/2005/09/12/news/politicus.php

<sup>&</sup>lt;sup>32</sup> See her speech in 2003: "Als ich 1990 in die Politik kam, habe ich mich in der alten Bundesrepublik oft gefragt, ob die Menschen in den alten Ländern eigentlich wissen, wie viel Sozialismus es auch bei ihnen gibt. Mir ist das immer daran aufgefallen - ich halte dieses im Übrigen für einen der schwierigsten Teile beim gemeinsamen Sprechen über die Wiedervereinigung -, dass auch viele Westdeutsche im Grunde dem Denken beigepflichtet haben, man könne und solle auf einen Staat und seine Institutionen durchaus erst einmal schimpfen." @ http://www.kas.de/publikationen/2003/1380 dokument.html

bursting of the Ukrainian orange revolution affected the judgement of the hard line neoconservative Western media pundits.

One of the poster-boys of the new neo-conservative British journalism is the *Guardian's* James Meek. He sounds the trumpet for Germany's orange revolution as he did for Ukraine's. There are some unsettling links given the nostalgia for Nazism displayed by some Yushchenko backers, though Meek himself seemed unperturbed by the Orange revolutionaries' anti-Russian xenophobia, even though he admitted in December, 2004, "Nor would the Jewish community be pleased to see the pin-up poster of a wartime Ukrainian soldier in SS uniform on the wall" [of the Orange revolutionary HQ in Lvov]. 33

James Meek hates Mrs Thatcher but he loves Thatcherism: "The spirit of Margaret Thatcher is abroad in Germany, wafting in from the sink-or-swim business cauldron of neighbouring Poland as much as from Britain. Dirk Grosse-Leege, the corporate voice of Volkswagen, told me about the book he had on his desk: Margaret Thatcher's Shock Cure - A Recipe for Germany, by the German writer Dominik Geppert. It makes a comparison of the former British prime minister and Angela Merkel, leader of the centre-right CDU, who faces Chancellor Gerhard Schröder of the SPD in Sunday's election. "As an individual, I just love this book, because it's totally right," said Grosse-Leege." Meek adds, "You didn't need to be a professor of semantics to have read the code of Merkel's campaign rally a few days earlier. If Britain had "Maggie", hated or admired, Merkel's supporters waved placards with the single word "Angie". The themed colour of the rally was orange, the colour of Ukraine's middle-class anti-cronyism revolution. When they look further east than east Germany, keen-eyed Germans see not only post-Soviet industrial ruin, but an enviable personal force and hunger."

Leaving aside the improbability that any German envies Ukrainians their "hunger", what kind of person wants to live or work in a "cauldron"? In any case, Poland is not booming even if journalists on all-expenses paid visits don't notice the poverty and dereliction, which, strangely enough, they suddenly see in East Germany.

Of course Germany has an aging population and low birth-rate which are blamed for much of the public sector deficit, but few look back to how the country managed an even starker age and gender imbalance following the Second World War as a model for dealing with future problems. Instead Germany is urged to imitate societies with worse social problems.

Poland's unemployment rate, for instance, is double Germany's but that cannot prevent journalists presenting the country as a model for Germany's much-needed reforms. Standing on the Polish-German border at Frankfurt-am-Oder, the BBC's Caroline Wyatt assured viewers, "From Frankfurt-Oder it is just a few minutes walk to Poland where workers cost a fraction of their German counterparts, one of the reasons that unemployment is so high here"! <sup>35</sup>

Nothing can stop the peddling of the idea of Germany as failing in globalization compared with basket case neighbours. John Vinocur declared to his global readership: "Merkel has no ties to her party's past years of stolid faith in Rhenish capitalism, the still-lingering economic model (state intervention plus big bank guardianship of business) overtaken by the globalization of world trade." Yet Germany sells more in the world than America, far more than Britain. Globalisation's pin-ups are also its balance of payments losers. It is never explained how Germany, lacking Britain's oil resources and the United States' reserve currency status for its dollar, could manage the kind of trade and budget deficits routine in the Anglo-Saxon reform models.

<sup>&</sup>lt;sup>33</sup> See James Meek, "Divided they stand" in *The Guardian* (10<sup>th</sup> December, 2004) @ http://www.guardian.co.uk/ukraine/story/0,15569,1370514,00.html

<sup>&</sup>lt;sup>34</sup> See James Meek, "Berlin Blues" in *The Guardian* (15<sup>th</sup> September, 2005) <a href="http://www.guardian.co.uk/print/0,3858,5285944-103532,00.html">http://www.guardian.co.uk/print/0,3858,5285944-103532,00.html</a>

<sup>&</sup>lt;sup>35</sup> BBC News 24 (4.22pm, 16<sup>th</sup> September, 2005)

In any case, the shine is coming off these models. Certainly Britain's failure to restructure its public debt, to fund adequate pensions and its inability to export enough to balance its trade suggest that the British miracle may soon turn into a mirage.

Already outsourcing has come under critical focus in Blair's Britain even as the globalising claque shout its benefits in the German media. In Britain, the lockout at British Airways' monopoly food supplier Gate Gourmet owned by the US hedge fund Texas Pacific Group opened many people's eyes to the relentless downward pressure on wages brought on by greedy globalisers. Not content with employing low earning British Asians the company wanted to sack them to bring in even worse-paid, more compliant labour from Poland and Lithuania. Communism was an excellent training ground for the discipline of the market economy.

Hedge funds have begun to operate aggressively in Germany too. The SPD general-secretary, Franz Muentefering, was bitterly rebuked for suggesting such "locusts" would do for German jobs what was happening in Britain.

Stock market democracy is also only skin deep in Germany. Maybe the banks held too much stock and too much sway in German boardrooms, although trade boomed when they did, but foreign hedge funds are not charities or even local bankers who have to drive past the local unemployment exchange. Germany's rush to popularise stock investments in the 1990s went badly wrong.

In fact, the first generation of stock market investors in Germany were badly burned by the stock market downturn after 2000. Ordinary investors have been reluctant to return to the DAX. Outsiders used to the pyramid structure of the US stock market into which pension funds are funnelled for want of alternatives see the German bourse as undervalued. Unless Germans lose their pensions based on contributions and are forced into staking their well-being in old age on the vagaries of the market (as British employees were gulled into accepting the end of a viable state-pension scheme by the stock market upswing between 1987 and 2000)

The Anglo-American pensions model is predicated on a society which accepts an underclass living a Third World existence where wage-costs are held down as much by low-wage migrants servicing the middle an upper orders as by an technological innovation. The Anglo-American immigration-based economy is fundamentally different from the booming West German *Wirtschaftswunder* of the 1950s which drew in *Gastarbeiter* to maintain the upward surge in production and income of the workers as well as benefiting employers. Now migrant labour is not there to support an expanding productive capacity but to cut wage costs by dispensing with indigenous labour. In short, a Marxist reserve army of labour is created to force down wage-costs. Ironically, it is the born-again free marketer, Angela Merkel, the ex-FDJ agitation secretary who advocates a Marxist understanding of capitalism under the guise of being a post-Communist. But then this is typical of our age: ex-Marxists are the most vocal proponents of the kind of cut-throat market which genuine democrats had modified with great success after the Great Depression.

In Britain 12.5 million people live below the poverty line, which is set well below the German equivalent. That is the social order which the neo-conservative-new left alliance epitomised in the comment columns of Rupert Murdoch's media and which *Der Spiegel* and *The Guardian* promises Germans in the event of a clear Merkel victory.

It is a parody of the old Marxist critique of capitalism, just with the moral polarities reversed. Karl Marx was the first German globalist – preaching the energy and creative destructiveness of the mid-nineteenth century bourgeoisie, maybe Angela Merkel will be the last German globaliser if only because she will be the first to succeed in sacrificing Germany's status as the world's major industrial producer to the demands of globalisation?

## Déjà vu all over again? Foreign Policy prospects

Gerhard Schroeder won re-election in 2002 on the back of his refusal to back President Bush's looming war against Iraq. The disastrous consequences of the Iraq War may have confirmed the wisdom of his reluctance to send German troops to the war there, but soon it will be Iran rather than Iraq which will be the likely target of a new war against suspected WMD

Even if ordinary Germans have not taken on board the gathering storm in Washington against Iran, the effect of the disastrous mismanagement of the impact of the Hurricane Katrina played into Schroeder's hands. Schroeder scored a glancing blow against Merkel's America-as-model rhetoric during the duel on 4<sup>th</sup> September before making more extensive criticisms of the US administration's failure to prepare for the hurricane and the general flaws in the down-sized state concept when faced by a crisis. "We have to reflect on what... the smaller-state process [Entstaatlichung] so often talked about, really means."

In fact, Dr. Merkel has back-peddled in public on her previous enthusiastic Americanism. She avoided a meeting with President Bush and sent her erstwhile boss in the CDU hierarchy Wolfgang Schaeuble who enjoyed the rare privilege of 45 minutes with George W. Bush in the White House, commenting that the president was "a man with whom you can speak very openly" though no transcript of the talks was made available to the public. Thousever, no-one disguises official Washington's preference for Merkel and the neo-con think tanks' enthusiasm.

The Sueddeutsche Zeitung reminded its readers in late July, 2005, about how far Merkel had gone in supporting every step of President Bush's policy towards Iraq including clearly wanting German troops to join the invasion, something which she now denies as the elections loom. Back in January, 2003, Schaueble had indirectly criticised Merkel's open support for the Anglo-American determination to attack Saddam by saying that the Franco-German proposal to intensify WMD inspections in Iraq should not be ignored. Schaueble belongs to the West German generation which regards Franco-German cooperation as a pillar of German foreign policy whereas the post-Communist generation sees Chirac as Bush's bête noire and so theirs too.

As election day approached, Harvard University's Daniel Ziblatt told Deutsche Welle: "I think there's a sense that the Bush administration would prefer that (Christian Democratic Union challenger) Angela Merkel wins. The Bush administration can probably work with anybody, but Merkel wrote in an article for the *Washington Post* that (Social Democratic Chancellor Gerhard) Schröder doesn't speak for all Germans. I think there is a sense also that the Bush administration would have a slightly freer hand if Merkel were in power, with regard to Iran." Ziblatt was referring to Merkel's pro-war article in 2003 from which she now tries to distance herself, but few doubt that in the near future Iran will replace Iraq as Merkel's touchstone of allegiance.

Germany is just a staging post on the neo-conservatives drive to an *Endsieg* in Paris. France must fall before Iran can be attacked with impunity. The EU will not necessarily surrender on all fronts without Chirac's departure from office. Neo-conservatives like the *Guardian*'s once left-wing Martin Kettle assured his readers "I'm rooting for Merke!" He derided Schroeder but made clear the real target of the global reformers is France. Merkel is just the outrider for

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 $<sup>^{36}</sup> See \ http://\underline{www.bundesregierung.de/-,413.884810/rede/Rede-von-Bundeskanzler-Gerhard.htm} \ .$ 

<sup>&</sup>lt;sup>37</sup> See <a href="http://dialoginternational.typepad.com/dialog\_international/2005/07/bush\_wants\_angi.html">http://dialoginternational.typepad.com/dialog\_international/2005/07/bush\_wants\_angi.html</a>

<sup>&</sup>lt;sup>38</sup> For "Merkel's Fans in Washington", see <a href="http://www.dw-orld.de/dw/article/0,1564,1711004,00.html">http://www.dw-orld.de/dw/article/0,1564,1711004,00.html</a>

<sup>&</sup>lt;sup>39</sup> See Nico Fried, "Ein Golfkriegssyndrom ganz eigene Art. Merkel und der Iraq-Krieg" <a href="http://www.sueddeutsche.de/ausland/artikel/637/57580/">http://www.sueddeutsche.de/ausland/artikel/637/57580/</a>.

<sup>&</sup>lt;sup>40</sup> See Langguth, *Angela Merkel*, 380-81 note 661.

<sup>&</sup>lt;sup>41</sup> CNBC carried the classic Merkel+Sarkozy=Bush+Blair argument in its comment section at 5.55pm on 16<sup>th</sup> September, 2005
<sup>42</sup> For Ziblatt's comments, see http://www.dw-world.de/dw/article/0,1564,1712212,00.html

<sup>&</sup>lt;sup>43</sup> See Martin Kettle, "Schroeder has been a disaster so I'm rooting for Merkel" in *Guardian* (30<sup>th</sup> UGUST, 2005) @ www.guardian.co.uk/Columnists/ Column/0,5673,1563439,00.html

Sarkozy. If she wins, then Monsieur Reforme can triumph too. If Merkel slips up, then Sarkozy will lose his shine as the inevitable successor to Chirac and the un-doer of his legacy.

Schroeder and Chirac were once lauded as American-style go-getters and reformers. Like East European politicians who loved America more than America's power elite loved them, Schroeder and Chirac have discovered that Washington wants obedience even from its oldest democratic allies.

Marianne Childress of the appropriately-named *Globalist* made clear the strategic goal in her article, "Angela Merkel: The End of L'Exception Française?" which contained a grotesque parody of the relationship cultivated by all French and West German leaders since the Adenauer-de Gaulle era. "By cultivating a strong relationship with Germany, France gained a powerful ally — one who could help protect French interests against globalization and liberalism within Europe. But this arrangement also meant that France has existed in blissful ignorance to what is going on in the rest of the world, nestled in the protective arms of the state and nursed by a comfort-oriented European Union. But the ability of the French state to protect France from reality is eroding — and with it, "I'exception française". "A Occasionally, even the *Wall Street Journal* lets a few of what Lenin derided as "*fakti*" get into its columns to correct the propaganda portrait of France as a non-capitalist society of resentful peasants and anti-American aristocrats. For instance, Jérôme Guillet told its readers that France has more companies in the Fortune 500 – 39 – than either Germany – 37 – or Britain -37. But like Germany's balance of trade surplus, reports of French success are only likely to enrage the reformers all the more.

Overlooking the fact that Schroeder and Chirac were happy to cooperate with Bill Clinton's America, and that Mitterrand and Kohl had cooperated with Bush père, the neo-con consensus insists that any politician doubting the wisdom of George W. Bush's policies is an enemy of America. They are happy with Merkel's loyalty to the current US administration whose time will run out only half-way through her chancellorship: "There will not ever be a strong and unified Europe that is against America," Merkel has said. "Europe must retrieve its economic dynamism or be automatically of less importance for the Americans." Maybe the tensions between Europe and America would disappear with a new broom in the White House.

Although Schroeder had in fact acted to mend fences with the Bush White House<sup>47</sup>, it is true that he has backed away from an assertive militaristic foreign policy (which his involvement in Kosovo had earlier suggested would be a feature of his rule), but he is not averse to playing the nationalist card. Schroeder criticised Merkel in their televised debate on 4<sup>th</sup> September, for running Germany down and only emphasising negative data while ignoring the country's record export performance, for instance.. His posters emphasise his patriotism with the slogan "Vertrauen in Deutschland" ["Faith in Germany"].

Whether Schroeder has tried to play the nationalist card with his veiled references to the threat of war (with Iran mentioned only once in the campaign), local SPD activists and at least one SPD bundestag candidate told BHHRG's observers that foreign policy was not an issue on the doorstep or at meetings. Only the issue of the influx of Polish workers and other New Europeans was an issue. Oskar Lafontaine raised the question of the use of foreign workers from the new EU states to put pressure on wages and conditions for those already living in Germany. A storm of protest raged at him for touching Germany's taboo subject – race – even though he was in fact criticising exploitation of all concerned by unscrupulous employers.

<sup>44</sup> See http://www.theglobalist.com/StoryId.aspx?StoryId=4784

<sup>&</sup>lt;sup>45</sup> See Jérôme Guillet, "Can-Do France" in *The Wall Street Journal (Europe)* (19-21<sup>st</sup> August, 2005).

<sup>&</sup>lt;sup>46</sup> See <a href="http://www.iht.com/bin/print\_ipub.php?file=/protected/articles/2005/09/12/news/politicus.php">http://www.iht.com/bin/print\_ipub.php?file=/protected/articles/2005/09/12/news/politicus.php</a>.

And there are even rumours that Schroeder intends to outsource himself to New York's Citigroup after losing the chancellorship, see Roger Cohen, "What is the chancellor really running for?" in IHT (17<sup>th</sup> September, 2005) <a href="http://www.iht.com/bin/print\_ipub.php?file=/protected/articles/2005/09/16/news/globalist.php">http://www.iht.com/bin/print\_ipub.php?file=/protected/articles/2005/09/16/news/globalist.php</a>.

Dr. Merkel is not above appealing to chauvinism. <sup>48</sup> She would offer Turkey only a "privileged partnership" while backing the admission of more deeply corrupt former Communist countries like Ukraine and Romania. Whereas Turkey has prosperous companies like the Koc concern which have actually taken over failed German household names like Grundig, Dr. Merkel puts geo-political subservience ahead of economic suitability in her criteria for admission to the EU. By playing on German resentments against long-standing Turkish and Kurdish settlers in the country she may gain votes but only in order to bring in fresh waves of post-Communist migrants to back up the hundreds of thousands of illegals already settled in Germany from Ukraine following the notorious visa scandal after 1998 when the German consulate in Kiev admitted Ukrainians as tourists en bloc. <sup>49</sup>

Although some see a split between the US and the CDU attitude towards Turkey's accession to the EU (which mirrors Jacques Chirac's reluctance to admit more Muslims), Washington has been unhappy with the AK party government in Ankara led by Tayup Erdogan since it failed to push through permission for US troops to use Turkish territory for the war in Iraq. Maybe un-settling an over-confident Ankara would not be unwelcome to the Bush Administration.

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### Relations with Russia

On 9<sup>th</sup> September, Russian President, Vladimir Putin, visited Berlin to be present with Chancellor Schroeder at the signing of a deal between Russia's Gasprom and two German corporations to build a gas pipeline from Russia to Germany under the Baltic Sea. The German end of the pipeline would be near Greifswald, on the East German coast neighbouring Angela Merkel's constituency at Stralsund.

Dr. Merkel met the Russian President in Berlin and uttered a few bromides about "strategic partnership" but her background briefers had emphasised that she put greater emphasis on Germany's nearer neighbours and new partners in the EU like Poland. Dr. Merkel had earlier criticised the by-passing of Poland both by the pipeline and in the negotiations leading to it.

As a fluent Russian-speaker who won the trip of a lifetime to Moscow in 1972 for her fluency in the number one fraternal language, Angela Merkel is not a natural ally of Vladimir Putin. Like so many New Europeans who learned the language of the dominant superpower in their youths behind the Iron Curtain, Dr. Merkel has switched allegiance to the only remaining superpower. As a gifted linguist she also speaks fluent English.

Whereas Schroeder has remained stuck in the 1990s mode which saw post-Communist Russia as the place to do business with, and continues to extend the Clinton-Kohl policy of indulgence towards Boris Yeltsin and his foibles (like invading Chechnya) to President Putin, Dr. Merkel has reversed the fulsome warmth of her CDU predecessors towards the Kremlin.

Her concerns are now for Germany's immediate post-Communist neighbours in Poland and the Baltic States. The Schroeder-Putin gas pipeline deal leaves them out in the cold. For all the rhetoric about the "booming" market economies of these classic New European states, their natural instincts are those of socialist rent-seekers. A pipeline across their territory equals rent for transit rights. By circumventing the Baltic States and Poland (as well as Ukraine with its habit of stealing natural gas in transit) the German and Russian partners will maximise their own profits (that's good capitalism, isn't it?) and avoid dependence on politically unreliable states like Ukraine or states like the New Europeans who fall in line with Washington's demands even if they conflict with their own national interest.

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As a campaigner she is not above promising to be all things to all Germans as Josef Joffe pointed out she wants "Germany to be a winner in globalisation" and so demands "a more dynamic economy" and yet calls for "more equality". See Josef Joffe, "Zur Sache, Chefin" in *Die Zeit* (11<sup>th</sup> August, 2005) <a href="http://www.zeit.de/2005/33/01\_leit\_1">http://www.zeit.de/2005/33/01\_leit\_1</a>. For Merkel's speech on 13<sup>th</sup> anniversary of German unification (3<sup>rd</sup> October, 2003) see <a href="http://www.repnik.de/download/am031001.pdf">http://www.repnik.de/download/am031001.pdf</a>.

49 For the visa scam, see e.g. www.dw-world.de/dw/article/0,1564,1533643,00.html.

The likely FDP foreign minister in any CDU-FDP coalition, Wolfgang Gerhardt was less diplomatic, criticising the pipeline for bypassing Poland, denouncing Putin's treatment of Chechnya and calling for more support for the jailed oligarch, Mikhail Khodorkovsky.<sup>50</sup>

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## Watch your back, Angie.

Gerhard Schroeder's decision to call the vote of no-confidence on 1<sup>st</sup> July, 2005, may well have secured Angela Merkel's chancellor-candidacy and propelled her to the top of the German greasy-pole, but her position inside the CDU was far from secure then – **and not remain so.** For weeks beforehand, the German media were full of rumours that the big beasts of the Christian Democratic camp – all men – were plotting to dump her as Schroeder's potential nemesis in favour of one of themselves – if they could agree on which regional premier should stand. Schroeder bounced the CDU/CSU into sticking with Merkel.

But Merkel was also the preferred candidate of the globalists. The CDU regional premiers, and even the CSU's Edmund Stoiber, were seen in the Anglo-American media as too moderate, not reformist enough. Just as Merkel's repudiated patron, Helmut Kohl, was now ridiculed as "Germany's last Social Democratic chancellor" (rather than reviled for his dubious fund-raising methods which would earn peerages in Britain and ambassadorships in America), so popular CDU politicians, like Lower Saxony's prime minister, Christian Wulff, were thought likely to back away from the big spending cuts and outsourcing demanded by globalisation's advocates and so profitable for Anglo-American hedge funds.

Many of Merkel's most bitter opponents are in the CDU. Although their rancour is routinely represented as male chauvinism against a female candidate, policy differences are important. Wessi CDU activists are not as taken with the blind ideological commitment to the Anglo-American de-industrialization model as Dr. Merkel. Estonia or Slovakia might strike flat tax fanatics as role models for Germany but anyone aware of the mass impoverishment in those New European states is not so smitten as the new fellow travellers who write them up.

Dr. Merkel has had to accept the re-emergence on the CDU scene of Friedrich Merz whom she sacked eighteen months ago. <sup>51</sup> AFP reported Merkel as declaring a little desperately, "I need Paul Kirchhof as much as Friedrich Merz," Merkel said. "Given the state the country is in, we need everyone we can get." Kirchhof was reduced to declaring, "We won't let anyone starve in Germany" — not a slogan to please the hard line Orange revolutionaries at the *Guardian*! Meanwhile the FDP's leader, Guido Westerwelle, who had called Kirchhof a "spiritual ally" when Merkel first appointed him to her team, by the last weekend before polling day was dismissively referring to him — not by name, to add to the insult — as a self-publicising professor! <sup>54</sup>

Depending on the size of her majority and the way the economy moves, Dr. Merkel could find that her main support is abroad in Washington and London if she faces a crunch in Berlin. So far, the reform process has predominantly hit natural left of centre voters, but Hartz IV targets the subsidies for the middle classes. If she enacts them and similar changes the CDU's voters might start to rebel as Schroeder's SPD heartlands did.

<sup>50</sup> See "Wolfgang Gerhardt greift Rot-Gruen in Russlandpolitik an" in *Financial Times Deutschland* (6<sup>th</sup> September, 2005).
 <sup>51</sup> See "Merz will wieder mitmachen" in *Die Welt* (14<sup>th</sup> September, 2005): <a href="http://www.welt.de/data/">http://www.welt.de/data/</a>

<sup>&</sup>lt;sup>51</sup> See "Merz will wieder mitmachen" in *Die Welt* (14<sup>th</sup> September, 2005): <a href="http://www.welt.de/data/2005/09/14/774946.html">http://www.welt.de/data/2005/09/14/774946.html</a>

<sup>&</sup>lt;sup>52</sup> See <a href="http://news.yahoo.com/s/afp/20050914/ts\_afp/germanyvote\_050914114016&printer=1">http://news.yahoo.com/s/afp/20050914/ts\_afp/germanyvote\_050914114016&printer=1</a>;

\_ylt=AkieXbD3.cWYBjR234aCJ3eGOrgF;\_ylu=X3oDMTA3MXN1bHE0BHNIYwN0bWE-

See "Wir lassen niemanden verhungern" in Die Welt (14<sup>th</sup> September, 2005) <a href="http://www.welt.de/data/2005/09/14/774663.html">http://www.welt.de/data/2005/09/14/774663.html</a>

See Nico Fried, "Kirchhof? Welcher Kirchhof?" <a href="http://www.sueddeutsche.de/deutschland/special/917/58859/index.html/deutschland/artikel/343/60283/article.html">http://www.sueddeutsche.de/deutschland/special/917/58859/index.html/deutschland/artikel/343/60283/article.html</a>

## Apathy - Reform's vital component

Inevitability was supposed to propel Angela Merkel to a clear victory opening the way for her real reform agenda.

A sense of hopelessness has been a major factor in bringing victory to reformers. Mrs Thatcher liked to proclaim "There is no alternative", and her policies may have been right compared with her rivals in the early 1980s, but today's proponents of historical inevitability grew up in the Stalinist school of historical certainty. For all the New European neo-cons talk about freedom they deny the possibility of an alternative. The weight of Western backing for shock therapy in the New Europe has effectively silenced political alternatives in much of Eastern Europe. Low turnouts in elections guarantee reformers' victories as the old, the poor, the ill-educated find no-one to vote for, or can only vote for those the television commands them to support – as in Soviet-era elections.

In Germany as in the United States and Britain, apathy about politics has grown along with the rhetoric about reform. Even with Britain's fraud-promoting postal voting system, Tony Blair was barely able to persuade 36% of a turnout of 60% to vote for him in May, 2005.

Germany has suffered the same kind of decline of political engagement on the part of ordinary people. Party membership has fallen sharply over the last decade and a political tourist in Berlin or other parts of northern Germany in the pre-election period would see virtually no posters in the windows of private homes – as in Britain during the last general election. Only paid for posters and TV spots indicate that an election was underway.

The likelihood of voting is also increasingly dependent on economic circumstances, whereas West Germany saw uniformly high turnouts until the later 1980s. In the Nordrhein-Westfalen state election, which precipitated Gerhard Schroeder's decision to appeal to the Bundestag to vote his government down, turnout raged from a high point of 81% in affluent suburbs to a low of 30% in working class districts where voters were most likely to be badly affected by more reforms whether under an SPD or CDU-led government. Overall civic participation in Germany has been falling, though not yet to the level of the model reformed states like Britain and the USA.

In Mecklenburg-Vorpommern, the CDU and the SPD give out only approximate membership figures: the CDU had about 6,800 members in 2005 and the SPD about 3,000. The PDS has fallen from 15,857 members in 1993 to only 6881 in 2005 - nevertheless that was still more than twice as many as the SPD (3,000). The FDP claimed about 1,400 members. The Greens had around 300 members.  $^{55}$  In Bavaria, in September, 2003, only 58% of voters turned out in the regional elections.  $^{56}$ 

In New European post-Communist countries the marginalisation of critics of shock therapy in privatised media (often foreign-owned) has denied a voice to the losers from the reform-process. That in turn has switched many people off politics. Voting thresholds have fallen steadily in model reform societies like Poland with their high rates of unemployment and emigration which suits the reformers who turn politics into a game among those who essentially agree

The process seemed to be taking place in Germany. The long-term unemployed and their relatives, especially in the East but also increasingly in the West as unemployment rose there, found themselves without a voice in German politics. All parties in the post-2002 Bundestag agreed on the need for reductions in welfare, pension rights and employment rights. Only

<sup>56</sup> See http://www.repnik.de/download/am031001.pdf.

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<sup>&</sup>lt;sup>55</sup> See dpa, "Parteien kaempfen gegen Mitgliederschwund" in *Ostsee Zeitung* (5<sup>th</sup> September, 2005), 4.

with the formation of Die Linkspartei on 23<sup>rd</sup> June, 2005<sup>57</sup> was an opening for the representation of the growing German underclass made possible.

Oscar Lafontaine's decision to emerge from retirement after his resignation from the government in the run-up to the Kosovo war in March, 1999, opened a front on the left of Gerhard Schroeder. Because Lafontaine and his supporters from among disgruntled ex-SPD voters and activists were prepared to ally with the ex-Communist Party of Democratic Socialism (PDS), the taboo on voting Left for many West Germans may be broken while Ossis may feel that their votes will count more. The savagery of the German media's onslaught on Lafontaine's allegedly champagne socialist lifestyle reflected the fear among the reformers that the lower orders might find a voice in politics.

Launched with a fanfare after the SPD's debacle in Nordrheinwestfalen, the alliance of Oskar Lafontaine and the PDS's Gregor Gysi clearly threatened to complete the SPD's election nightmares. By emphasising its welfare and anti-war policies the new Left party threatened to take the votes of the constituency which had voted for Schroeder last time.

As in 2002, Schroeder has appealed to left-leaning voters by holding up the spectre of letting in a right-wing, pro-American CDU-led government if they voted PDS, so now left-titling voters may be drifting back to the SPD to bolster its chances of keeping Angela Merkel out of the chancellor's office. Even so the Left seems certain to gain a solid representation in the Bundestag which may form the basis of further expansion if the SPD fails to find the right tone in opposing a Merkel-led government carrying on with the reforms initiated under Schroeder and pushing them to their logical conclusion.

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## Not quite like clockwork

Germany's electoral system gives voters two votes, one for a direct candidate in a constituency to be elected on a first-past-the-post basis and a second ballot for a party list. The electoral authorities balance up the actual membership of the Bundestag on the basis of these second proportional ballots. How will this year's election function?

Foreigners are used to thinking of Germany as country where everything works like clockwork. Certainly compared with reform-model Britain, public services and transport seem to operate at a higher level of reliability. But even in Germany at election time the possibility of mistakes in the electoral system or even attempts at fraud cannot be discounted.

As in Britain, cases of incompetence have arisen recently in Germany in the dispatch of postal votes. In Dortmund, ballot papers for the wrong constituency were sent out to up to 50,000 voters. Many were returned by voters who presumably only identified the direct candidate by party allegiance rather than name. Only when counted on 18<sup>th</sup> September will it be clear how many incorrect ballots were distributed – if those counting them note the error!<sup>59</sup> In Weiden in Bavaria, the full name of the CSU was misprinted on the ballots, but few people would be misled by that error.

There has been a boom in postal votes in Germany. For instance, in the NordRhein Westfalen poll which precipitated Schroeder's decision to call a snap election, a record number of postal votes were distributed. As in Britain on 5<sup>th</sup> May, 2005, it is not clear why people who cannot be bothered to visit a local polling station are willing to go the trouble of filling out the forms to get a postal vote. For instance, 15,000 more Cologners applied for a postal vote in May, 2005 than five years earlier. Well over one-fifth of the region's voters

<sup>57</sup> See <a href="http://www.wdr.de/themen/politik/nrw01/landtagswahl\_2005/parteien/linksbuendnis/050623">http://www.wdr.de/themen/politik/nrw01/landtagswahl\_2005/parteien/linksbuendnis/050623</a>. jhtml?rubrikenstyle=landtagswahl\_2005

<sup>58</sup> See <a href="http://www.faz.net/s/Rub192E771724394C43A3088F746A7E2CD0/Doc~EE8C32F59F2694">http://www.faz.net/s/Rub192E771724394C43A3088F746A7E2CD0/Doc~EE8C32F59F2694</a> A7599A696EBD5EF52BB~ATpl~Ecommon~Scontent.html

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<sup>&</sup>lt;sup>59</sup> See http://www.tagesschau.de/aktuell/meldungen/0,1185,OID4712324\_REF1,00.html.

applied for a postal ballot. There was a rise in turn-out from 57% to 61% in the hotlycontested poll.<sup>60</sup> Only in Berlin, Bremen and Hesse is a "slight" decline in postal votes.<sup>61</sup>

The electoral authorities and police have warned anyone willing to take market economics too far that selling votes is illegal, even in reform-minded Germany. However, offers of postal votes for sale have been posted on Ebay. 62 As in Britain, postal voting's lack of guaranteed privacy lays the system open to abuse, especially for the elderly and sick and those minorities who live in patriarchal conditions.

In charge of the 663,000 election officials and volunteers is the Federal statistical chief, Johann Hallen, who is a member of the CDU. 63 He expects full results by 4 am on Monday morning.

### What next?

The election was Dr. Merkel's to lose. She started with a huge lead in the polls. By the eye of poll, it had whittled down to a statistical dead-heat between CDU/FDP and the Red-Green-Red (SPD-Greens-Linke) in the polls at roughly for 48.5% each block. More worrying was the report in Die Welt on Friday, 16th September, that only 45% of voters wanted a change in government against 51% who didn't. <sup>64</sup>Opinion polls and votes can turn out very differently, but the Orange precedent for Dr. Merkel from Ukraine is that you cry foul when the actual vote count doesn't match the paid-for polls. On that basis, the CDU faces a very jittery Sunday night. In theory, 48.5% of the vote could carry CDU/FDP to a wafer-thin Bundestag majority but even if Dr. Merkel equalled Adenauer's achievement in 1949 of being elected Chancellor by one vote – Journalist: "Did you vote for yourself?" Adenauer: "Obviously." – could she hope to push through the real Reforms demanded by her neo-conservative backers?

Depending on how Germans vote on 18<sup>th</sup> September, one of the following variants could ensue:

CDU/CSU-FDP win a clear majority and Angela Merkel is elected Chancellor

SPD/Greens retain their majority (highly unlikely)

SPD/Greens are tolerated in office by Die Linke - something to which Schroeder has publicly declared he would not agree.

No clear majority so CDU/CSU and SPD form a grand coalition maybe without either Merkel or Schroeder as Chancellor.

Uncertainty about the outcome was worsened by the death of the NPD candidate for the Dresden constituency Number 160. This means 219,000 people won't get to exercise their right to vote until 2<sup>nd</sup> October. The Karlsruhe supreme court rejected appeals that the results elsewhere not be published before then so that the Dresden 160 voters won't be able to vote tactically knowing the national results. <sup>65</sup> Maybe if the result is close, it will hang on Dresden's 160.

<sup>62</sup> See "Wählerstimmen im Internet angeboten" (12<sup>th</sup> September, 2005) @ <a href="http://www.faz.net/">http://www.faz.net/</a> s/Rub8069DAE636104A839BEF92B532A6E4C0/Tpl~Eaktuell~Sdrehscheibe.html.

 $<sup>^{60}~</sup>See~http:/\!/www.wdr.de/themen/politik/nrw01/landtagswahl\_2005/hintergrund/briefwahl/$ 050517.jhtml?rubrikenstyle=landtagswahl\_2005

<sup>&</sup>lt;sup>61</sup> See http://www.welt.de/data/2005/09/15/775320.html.

<sup>&</sup>lt;sup>63</sup> See Joern Poltz, "Der Herr der Stimmzettel" in FAZ (16<sup>th</sup> September, 2005) http://www.faz.net/ s/RubAC861D48C098406D9675C0E8CE355498/Doc~E5CE20C73031A444EAE9A83F2E4DE21AA ~ATpl~Ecommon~Scontent.html

<sup>&</sup>lt;sup>64</sup> See http://www.welt.de/data/2005/09/16/776177.html.

<sup>65</sup> See http://www.faz.net/s/Rub192E771724394C43A3088F746A7E2CD0/Doc~E840EF0034CAC4B

The *Leipziger Volkszeitung* drew attention to another variant: With a relative majority short of the necessary absolute majority to elect her, Angela Merkel could go to the Bundespresident Horst Koehler and seek his approval to appoint her after a third round of inconclusive voting. Then she could enter a new general election as acting Chancellor with the so-called "Kanzlerbonus." Requiring the German people to vote again to get the right result – something not unknown in the European Union as Danes and Irish voters can testify – led one Left candidate, Petra Pau, to recall Bertolt Brecht's cynical comment on workers' unrest in 1953, dictum "The government might prefer to choose another people." \*\*

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 $<sup>^{66} \</sup> See \ http://www.welt.de/data/2005/09/15/775961.html$ 

<sup>67</sup> See <a href="http://www.faz.net/s/Rub192E771724394C43A3088F746A7E2CD0/">http://www.faz.net/s/Rub192E771724394C43A3088F746A7E2CD0/</a> Doc~E6A46247 D80C6481FB8A74E248517B8AA~ATpl~Ecommon~Scontent.html