

Frictions Weaken German Government

by Rainer Apel

The collapse on Dec. 4 of talks on the formation of a new city-state government for Berlin, among the Social Democrats, Free Democrats, and Greens, underlined once again that the national Social Democratic-Green coalition government of Chancellor Gerhard Schröder is skating on thin ice. The slim majority of two votes above the minimum required during the parliamentary no-confidence vote on Nov. 16, already showed that, and that majority had been achieved only by massive blackmail of dissidents, as everybody in Germany knows. The future is looking grim for the “red-green” government, which is entering the last 11 months of its term, facing national elections in September 2002, at the latest.

Members and voters of the Greens, in particular, are jumping ship. The party has lost up to one-third of its previous vote in all 16 state and municipal elections since it joined Schröder’s government in October 1998. The Green party leadership’s decision to support the Anglo-American war on Afghanistan has enraged many among the party base who consider themselves “peaceniks.”

At the national party convention of the Greens in Rostock on Nov. 24-25, 40% of the convention delegates rejected the party executive’s resolution in support of the Afghan war and of the national coalition government.

The party base will take revenge for what they consider a sellout of the leadership’s anti-war positions. For example, in the state of North Rhine-Westphalia, the biggest state section of the Green party, numerous districts have announced that they will not campaign at all for the national elections in 2002—i.e., they will boycott their own candidates. Some districts even want to halt financial transfers to the state and national sections of the party.

In the southwest of Germany, the decision of Walter Hasenclever and Willi Hoss to quit their longtime party membership over the Afghanistan issue, caused a big shock, because the two were among the founders of the party, in the mid-1970s. Already during the Rostock party convention, enraged delegates quit the party and left the convention, after the vote on the pro-intervention resolution on the first convention day. As the convention began its second day, 80 members of the Greens in Berlin announced their decision to leave the party—in the biggest single exit to date.

It comes as no big surprise, therefore, that the Greens of Berlin were politically too weak to continue the talks on the

formation of a city-state coalition government. For fear of the party membership, the Green negotiators could not make any more concessions to the austerity-minded Social Democrats, and even made panicked attempts to withdraw concessions made at an earlier stage of the coalition talks.

This is a process that will be seen also on the national level, soon, when the pressure created by a disappointed party base will compel Green legislators and government members to retreat from earlier positions. It is not very likely that this red-green government will survive the last 11 months of its regular term.

No Economic Policy

The bigger problem for the Social Democratic Party (SPD) of Chancellor and party chairman Schröder, is the deepening economic depression. He and his government are helpless against the economic collapse, and after months of denial, they have begun to admit that in public. During the SPD’s national party convention in Nuremberg on Nov. 19-21, Finance Minister Hans Eichel, while propagating his austerity course as allegedly “without any alternative,” suddenly said that “it makes no sense denying that unemployment will be above 4 million this Winter.” A few days later, the same Eichel already spoke of “4.2 million unemployed,” a figure which he corrected another few days later to “4.3 million”—more than 10% of the workforce—during a parliamentary session on the budget for FY 2002. That is almost the jobless level of Winter 1998 that turned the tide against Christian Democratic Chancellor Helmut Kohl, whose party suffered a smashing defeat in the elections of September that same year.

And, as many Germans also recall, Gerhard Schröder, who took over the Chancellor’s office after those 1998 elections, made the bold promise to “bring down unemployment by one-half” during his four-year term, among his first public announcements. The fact that he is so obviously lacking in ideas about how to deal with the situation, is beginning to make his party base doubt the budget-balancing “wisdom” of Schröder and Eichel.

During the SPD party convention in Nuremberg, several motions were presented (and voted down) that called for financial incentives for job-creating ventures and public sector projects, and for re-regulation of the capital market. Whereas most of these initiatives are still flirting with the inappropriate and limited idea of a transaction tax, modelled on the Tobin tax proposal, the interest in capital controls indicates that the Social Democratic part of the red-green coalition has begun to erode also in terms of fiscal and monetary policy.

The next parliamentary vote on an economic or social issue may, therefore, reveal more Social Democratic dissidents than the one SPD legislator who voted against Schröder in the no-confidence vote on Nov. 16. If the Greens fail to bring the government down, the job could still be done by the Social Democrats themselves.