

German's elections: The Merkel Effect

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As German elections loom this Sunday, cracks may be starting to show in Merkel's radical centrist reign.

German voters will go to the polls this Sunday to elect a new federal parliament. Angela Merkel remains the clear frontrunner, but things are shifting at the bottom. Thanks to Germany's strong economic performance and Merkel's expert moves to "externalize" Europe's immigration and austerity crises, pushing their consequences beyond German borders, the country has managed to project a calm exterior. But under the surface, German society is beginning to see the same polarization that's overtaken Europe at large.

Will Merkel's Christian Democratic Union continue its radical centrist reign? And if cracks start to show in the centrist status quo, will they be forged by the Left or the Right? To discuss these questions and more, Loren Balhorn for *Jacobin* spoke with the University of Basel's Oliver Nachtwey.

Loren Balhorn - Angela Merkel has governed Germany since 2005, and seems set to win another term on September 24. Outside of Germany, she is often perceived as cold and bland – far from the kind of charismatic politician who could serve four or five consecutive terms in office. Yet recent polls indicate a moderate surge of popularity. How do you explain this phenomenon, and how much of it has to do with Merkel herself?

Oliver Nachtwey - Merkel is one of the most interesting politicians of our time. She is a little bit of everything: principled and opportunistic, cold and empathetic, uncharismatic yet glib and ironic. More than anything, however, she is an experimental Machiavellian. Though frequently accused of being hesitant in her responses, this isn't actually the case. She operates more like a scientist.

After her initial confrontational approach proved unsuccessful — I'll return to this in a second — her political decisions and even the consequences thereof generally tend to be thought out from the end. What I mean by that is she anticipates her opponents' actions and is better than anyone else in German politics at letting them wear themselves out. The refugee crisis was basically the only exception to this rule.

More importantly, she traded in her brand of soft Thatcherism for a kind of radical centrism. Her real key moments were the Leipzig party convention in 2003 and the 2005 federal elections. She steered the CDU onto a radically neoliberal path in Leipzig, but ended up losing her electoral majority for it. She was then forced to govern with the Social Democrats, who had subjected the country to neoliberal shock therapy in the form of the "Agenda 2010" only several years prior, and Merkel soon caught on that she wasn't going to make much headway with neoliberal policies. Luckily for her, German capitalism had begun to recover by the mid-2000s, reducing the pressure for further cuts.

Merkel has not reduced social spending in any noteworthy way since 2005; in fact, she even permitted the introduction of a minimum wage and some minimal re-regulation of the labor market. She has also heavily liberalized the CDU's domestic policies since 2005, capturing many left-liberal issues like abolishing compulsory military service, enacting a liberal family policy geared towards boosting female labor market participation, approved a gradual transition out of nuclear power and, most recently, marriage for all.

Merkel abandoned many conservative positions in order to deflect left-liberal criticisms, which is the second reason why she continues to do so well. Merkel toughened German asylum law considerably in the wake of the refugee crisis, but was still — by the standards of German and international politics — seen as embodying a bit of humanity for at least leaving the borders open.

That she was working on a military operation to secure the EU's external borders at the same time is by no means a contradiction. Merkel is a canvas upon which society's desires for normality and stability in a world which seems out of control are projected — that German stability rests on the externalization of socio-economic problems goes unseen or is ignored by many.

LB

In terms of both the Left's general political prospects as well as what it would mean materially for working people in Germany and Europe, what do you think would be the best and worst possible outcomes of the election?

ON

The most decisive question will be how the Alternative für Deutschland (AfD) performs. For one thing, fascists will enter Germany's parliament for the first time since 1933. The other is the possibility that Die Linke will get a solid, maybe even a good result. Campaign events have been well-attended, while social polarization and fears of a rightward drift work in Die Linke's favor.

In my view, however, the most important thing is to develop an honest and realistic analysis of the results, social relations, and the coming struggles after election day. That sounds trite, I know, but it's actually really important. Die Linke lost almost three percentage points in the last election, but focused primarily on celebrating its newfound status as the third-strongest opposition party (because the other small parties performed even worse and the SPD joined the grand coalition).

This kind of glossing over of defeats can be very dangerous. I don't want to open up a discussion about the dynamics of the Weimar Republic, but one of the KPD's biggest mistakes in the early 1930s was underestimating the Nazis and relying on its own strength. Die Linke isn't downplaying the AfD, that's not what I'm trying to say. I just want to emphasize the importance of a correct assessment of the balance of forces.

LB

The AfD faltered in the last few state elections, following several stunning victories in 2016 and early 2017. What has caused the party's recent turbulence and how do you see it performing in September?

ON

The AfD is currently caught in an open faction fight between a national-conservative wing which may play around with the political style of the alt-right, but is ultimately bourgeois and wants the option of joining government down the road, and a neo-fascist wing, which has grown in strength in recent months.

The AfD's election results are hard to predict. They will definitely enter parliament, some polls even

put them as the third-strongest party. They stand to profit heavily from the fact that they are the only party depicting themselves as an anti-establishment force. In combination with their anti-refugee orientation, that could mean a very effective voter mobilization. We shouldn't forget, however, that the mobilizations of other parties are also on the rise.

LB

Let's talk more about Die Linke, the country's socialist party to the left of the traditional Social Democrats, which will be contesting its fourth parliamentary election this year. How do you think they will perform and how do you, generally, evaluate the party's record under Merkel?

ON

Die Linke is operating in a situation marked by extreme asynchronicity and polarization: substantial segments of the political establishment and the media have shifted to the right following the refugee crisis. At the same time, we witnessed something like a latent social mass movement: literally millions of people (albeit primarily from the middle class) got involved in refugee work. Die Linke was faced with the challenge of seeking to pursue a left-wing refugee policy on the one hand, while, on the other, a part of its core clientele — segments of the unemployed and working classes — adopted a, to put it mildly, more ambivalent approach to the refugee movement.

Racism of course played a major role here, but so did the fact that the state's austerity policies which characterized many Germans' experiences with welfare benefits, infrastructure, etc. in recent years were suddenly suspended in this situation. Particularly for low-wage workers, refugees were suddenly not only threatening to take away their piece of the distributional pie, but were even potential competitors on the job market.

These centrifugal forces among the electorate posed a huge challenge for Die Linke, which ultimately responded with a kind of schizophrenic division of labor: party co-chair Katja Kipping tried to relate to the refugee movement politically, while leading candidate Sahra Wagenknecht made overtures to those whose response to the refugee movement was primarily one of fear. That the party managed to remain so stable in this situation is a modest victory in itself.

This situation is embedded within a fundamental transformation of the political system. The potential partners for a broader progressive project, the SPD and the Greens, have shown no interest in left-wing policies, instead orienting themselves towards the political center and presenting themselves not as representatives of the opposition, but as potential coalition partners for Angela Merkel, who will almost certainly win the election. This has granted Die Linke a bit more room to maneuver in a strong opposition role, as the question of a left-wing government simply isn't on the agenda. The reform-oriented wing of the party has done little in the way of initiating political projects in recent years, instead making repeated demands to join government like a broken record player.

Things are a bit different on the regional level, but at the federal level there exists in my view — as in many Western capitalisms — a populist constellation. There is an overall crisis of representation, expressed most specifically in widespread dissatisfaction with the two major parties, which have strategically positioned themselves as parties of the radical center over the last fifteen years.

This has facilitated stronger political differentiation on the fringes and, ultimately, political polarization, first leading to the formation of Die Linke, and now to the establishment of the AfD, which absorbed the more right-wing and nationalist elements of the CDU. Die Linke manages to hold firm as parts of society drift to the right, which itself is more than nothing. Ultimately, however, it won't be enough, as the party's potential is actually much higher than the 8-10 percent it will probably receive in the elections.

At the moment, the AfD is the relevant populist force opposing the mainstream parties. Die Linke is — despite its democratic socialist program — not an anti-establishment force, but rather tends to present itself as a prospective coalition partner. Sahra Wagenknecht tried, and not entirely without success, to contest the AfD's role by employing populist rhetoric. Too often, however, her strategy amounted to an adaptation to the AfD's talking points, which deeply limited this attempt. This is also why the AfD has become the new workers' party, threatening to unseat Die Linke as the country's biggest protest party, particularly in the east. That said, Die Linke tends to perform better among younger and highly qualified voters.

LB

Pressing you a little further here, what could or should the German left do differently in order to relate to Europeans affected by German-imposed austerity? Do you think, for example, that the recent G20 protests in Hamburg were an effective display of solidarity with the oppressed and exploited of Europe? Is this a step forward for shifting public opinion in Germany?

ON

Maybe the protests could have fulfilled this function, but as we know things played out quite differently, with the police brutally smashing up a demonstration on the very first day. Afterwards, images of pseudo-leftist masculinity dominated the public eye, of people who think they're really tough revolutionaries who showed the state by torching a car that probably belongs to a regular worker.

Nevertheless, the political tensions in Germany were on full display at the G20 protests. The extent to which civil rights and the rule of law were suspended was astounding. Attacks on the Left after the riots were intensive and essentially cut off any political space for solidarity.

LB

For a brief period, the Social Democrats seemed to have found their savior in the form of party leader and front-runner candidate Martin Schulz, yet the so-called "Schulz effect" appeared to wear off only several weeks after his initial surge. Was there anything to this "effect" in the first place, or was it just media hype?

ON

At this point, the German media is acting like everyone is satisfied with Merkel and there is no mood for change. That is a distorted perspective, however: the Schulz hype and the SPD's brief surge in popularity were of course also a product of the volatile mood within the media landscape. Every newspaper and TV show wanted to be part of it, thereby amplifying the hype. As it began to die down, the media accelerated the decline by publishing articles poo-pooing his chances.

What this narrative misses, however, is that the Schulz hype was based on his appeals to more social justice, primarily addressed to people from modest backgrounds and the working classes. This was initially well-received by the public and reflected the demand for left-wing policies that most certainly exists in society. Nobody really knew Schulz, he wasn't part of the grand coalition, and he symbolized a small political reboot for his party. Schulz was a former bookstore owner, a reformed alcoholic, somebody with a biography a lot of people could identify with.

The fact that the left wing of the SPD never managed to push Schulz, who actually belongs to the party's right wing, further on social justice also played a significant role. The party apparatus and right wing soon took back the reins and compelled Schulz to dilute his initial radicalism, which ultimately made him appear untrustworthy. The social justice rhetoric remains, but only as a diluted, liberal husk. The SPD lost the following state elections, and soon people were back to saying social justice isn't an issue you can win elections with.

LB

The Free Democrats seem to be experiencing somewhat of a political renaissance, after being humiliated in the 2013 elections and failing enter parliament. Who is voting for them and why are they suddenly popular again? Have German voters forgotten about how they felt five years ago?

ON

The FDP's voting base has grown highly volatile in the last two decades. It's not that there are suddenly new liberals (or rather, neoliberals) in Germany — instead, it depends largely on the coalition in power. The FDP had been a governing party prior to the last election and thus didn't look particularly attractive. Now we've had a grand coalition of conservatives and Social Democrats, and because Merkel has pursued stronger interventionist and regulatory policies, some more neoliberally inclined sections of the CDU's base have gone back to the FDP to force the grand coalition out of power.

LB

The most recent issue of Jacobin featured a piece chronicling the transformation of the Green Party into a neoliberal, middle-class formation with little interest in social issues. What is it that keeps the Greens going, as they increasingly resemble the other parties of the center in policy terms?

ON

The Greens have lost all modesty or ability to be self-critical at this point. They regard themselves as the party of the elect, without whom the world could not go on existing. They are the party of progressive neoliberalism. However, right now it looks like they're about to pay a heavy price at the polls for their smugness.

LB

What about German unions? Some on the Left criticize German trade unions for cooperating with the government to protect powerful export industries and turning a blind eye to temporary employment and other neoliberal measures. Stabilizing the ship rather than leading the struggle, so to speak. Would you agree?

ON

To some extent. The German trade unions, like all trade unions today, are under a lot of pressure. It's fair to say, however, that the trade unions organizing sectors involved in international competition are, to put it carefully, willing to make a lot of compromises — whether in terms of precarious employment, or even conceiving themselves as part of a competitive productivity coalition. IG Chemie, for example, hasn't gone on strike in decades; IG Metall hasn't had an industry-wide strike in fifteen years.

Still, the Left can't afford to oversimplify things. Particularly in workplaces facing heavy international competition, support for a productivity coalition often comes from the workers themselves. The service sector union Verdi, on the other hand, has been involved in a number of small and large labor conflicts in recent years. Not all of them are particularly present in the public eye, but there have been major fights at Amazon, in the hospitals, the postal service, civil service, and even in retail. So many, in fact, that Verdi has begun facing major financial issues because of it.

LB

The last decade or so of European politics has been dominated by the glaring gap between the Southern periphery and the Northern core, the former characterized by economic recession, rising unemployment and general social immiseration, while the core remains largely stable with modest economic growth. How will this dynamic influence the German elections?

ON

The externalization of economic and social conflicts I already mentioned is the basis for Germany's relative stability. Inequality and social insecurity have risen dramatically over the last twenty years, but Germany's strong position in the European currency union is currently yielding it a degree of economic returns. While the austerity measures imposed on countries like Greece by German finance minister Wolfgang Schäuble led to economic decline, for Germany they meant an escape from its role as the "Sick Man of Europe," as the Economist called the country in the early 2000s.

Low unit labor costs combined with high levels of productivity and a specific positioning within the international division of labor further strengthened Germany after the 2008 crisis, as internal devaluation through declining wages massively increased its competitiveness both in and outside Europe. The fact that the euro was quite weak until recently further amplified this effect. As a lender country, Germany made money off of the southern European debt crisis, while the European Central Bank's low interest rates lowered the German state's refinancing costs. One can hardly imagine a more favorable situation for German capitalism, boosted by its strong heavy machinery sector and reputable automobile brands, currently being bought up by the world's emerging middle classes.

Widespread concern about growing inequality and insecurity certainly exists, but is answered with assurances from the establishment that "we've never had it this good." That isn't true — unemployment may be falling, but nearly a third of the labor market is comprised of precarious jobs, and class relations have made a vicious comeback. None of these developments, however, are addressed by the radical center.

LB

Thus far, the German government has largely managed to avoid implementing the kind of austerity on its own population that it has on Greece and other Southern states. Do you think this will continue to be the case after the election? And how is this dynamic sustainable?

ON

In a certain way, austerity was already implemented here between 2001 and 2003. This was inaugurated by the SPD-Green coalition's frugal spending policies, followed by the Agenda 2010 reforms, the largest social spending cuts in German postwar history. The German economy's strong positioning in the international division of labor through its comparative advantages and internal devaluation (through declining wages) makes it relatively competitive. The favorable economic situation in turn leads to high tax revenues and reduces pressure to cut state spending.

Should the upcoming elections lead to a CDU-FDP coalition, we would have a more neoliberally oriented government which may, for sheer ideological reasons, set off a renewed wave of austerity. The current situation is pretty comfortable for the government: the working class may have been humiliated, but the German elite and Wolfgang Schäuble in particular submitted the Greeks to a much more extreme form of humiliation later on. This threat is always lurking in the background: things could be done differently here, too, so maybe we should just act satisfied and shut up. This tactic works to some extent.

P.S.

* Jacobin. 09.22.2017:

<https://www.jacobinmag.com/2017/09/germany-elections-merkel-cdu-immigration-die-linke-austerity>

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