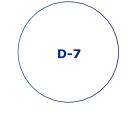
FONDATION ROBERT

European Elections monitor

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Angela Merkel still ahead in the polls but the gap with the opposition is closing up just one week before the German elections

61.8 million Germans are convened to ballot on 22nd September to appoint the members of the Bundestag, the German lower chamber of parliament.

Outgoing Chancellor Angela Merkel (Christian Democratic Union, CDU) is dominating the polls and just one week before the vote, she is still the main favourite. The gap between her party and the leftwing opposition, formed by the Social Democratic Party (SPD) and the Greens has closed up slightly over the last few days.

The CDU has focused its campaign on continuing growth and budgetary discipline, the development of investments, the strengthening of aid to families and the rejection of any further taxation. Social justice and greater European solidarity are the main themes in the SPD's programme.

"There is no desire for change in Germany," writes Ulrike Guérot, director of ECFR's Berlin office. Angela Merkel's victory seems to be decided but the issue of who will sit with her government remains. Everything will of course depend on the balance of power that emerges on the evening of 22nd September. Will the Liberals (FDP) be thrown out of the Bundestag? What will the result for the Greens be? Can the Left Party (Die Linke) block (or save) the situation for the leftwing? Is the Alternative for Germany (AfD), an anti-euro party able to achieve a surprise result and make things hard for the German right?

The Archbishop of Freiburg-im-Breisgau (Baden-Württemberg) and President of the Episcopal Conference of the Bishops of Germany, Bernard Zollitsch, warned the Germans against voting for this party. "*Our future lies in Europe and not in a return to Nation States. I hope that we have overcome this question for the duration and there are just the nostalgic few who will not enter the Bundestag,"* he declared. "*Things are not bad enough for the Germans to vote for an anti-euro party. Germany is in good health and people do not fear for their jobs or their retirement pensions,"* maintained Carsten Koschmieder, a political expert from the Free University of Berlin.

The outgoing Chancellor would like to continue her government coalition with the Free Democratic Party (FDP) but it cannot be guaranteed that the latter will achieve the 5% threshold necessary to be represented in the Bundestag. This is a paradox since Germany has probably never been as liberal as in 2013. The FDP, which in the previous elections on 22nd September 2009 achieved the highest result in its history (14.6% of the vote), is standing as the party of the "normal family with a father and mother who work and who have two children - the family whom everyone talks about in the newspapers," according to their leader Philipp Rösler. Like the outgoing Chancellor he is against any further tax increases but unlike her he is not benefiting at all from his participation in government since 2009. Angela Merkel might well win the elections and yet find it impossible to form a government majority unless she joins forces with the SPD in a "grand coalition" which, according to the polls, most Germans would like to see (52%).

Peer Steinbrück, former Finance Minister in the Grand Coalition led by Angela Merkel between 2005 and 02

2009, indicated that he would not take part in this. The SPD has indeed lost out because of its alliance with the CDU: the party achieved its worst ever score in history (23%) in the elections on 22nd September 2009. "*Given that I have governed in a grand coalition, I would really not be credible if I excluded this option,"* indicated the outgoing Chancellor in an interview with the *Frankfurter Allgemeine Zeitung* on 17th August last.

Will Germany be governed next by a unique coalition of three parties? Just one week from the elections the re-election of the outgoing CDU/CSU- FDP coalition is far from guaranteed. As for a union of the SPD and the Greens, only 37% of the population supported this idea in the last poll published by Infratest Dimap, i.e. far from the absolute majority. Since the two parties have categorically said a union with the Left Party (Die Linke) is absolutely out of the question the leftwing does not seem to be in a position to win.

Angela Merkel in the lead...

Three-quarters of the Germans say they like the outgoing Chancellor (72%). If the German Chancellor were to be elected by direct universal suffrage, 55% of the men and 65% of the women would re-elect Angela Merkel to office, whilst 33% of men and 24% of women preferred her rival Peer Steinbrück. Seven Germans in 10 (70%) say they appreciate the Chancellor (less than half - 47% - feel the same about the SPD candidate according to a poll published by Infratest Dimap at the beginning of September). Angela Merkel is counting on her popularity and on the confidence placed in her by her fellow countrymen in this campaign. The polls show however that the Germans are more convinced by Angela Merkel's personality (sober and pragmatic) than by the results produced by her government or her programme. Moreover transforming her popularity into votes is not guaranteed. Since 2002 the polls undertaken just one month before the general elections have always credited the CDU with a higher result than the one it finally achieves in the ballot box.

"You know me," said the outgoing Chancellor concluding a television debate on September 1st which brought her face to face with her rival. "Germany is strong and it should remain so" read the CDU's campaign posters on which Angela Merkel's is omnipresent. By 21st September Mutti (Mum), as she is called in Germany will have made a tour of Germany. She will be visiting two towns a day - i.e. 56 public meetings in all - and will end her campaign in her stronghold of Straslund on the shores of the Baltic Sea. She will direct her discourse towards the need for a rigorous management of public finances not forgetting social justice. She will recall the results of her four years in government: growth of 0.7% in the second quarter of 2013, rising household consumption, a recovery in investments, rising salaries (3.8% in 2013 and 3.6% planned in 2014), unemployment of 6.8% - the lowest figures since the country's reunification (nearly 2 million jobs created since 2009) -, in budgetary surplus since 2012 and a public debt below the euro zone average (declining slightly this year). Germany has maintained its triple 'A' and is the only EU country not to have de-industrialized and not to have lost any market shares. Finally Berlin has just risen two places in the World Economic Forum's (WEF) report on world competitiveness; the country rose from being sixth to fourth after Switzerland, Singapore and Finland.

The German IFO's business climate index, (7000 businesses), rose again in August to lie at 107.5 (106.2 in July); the six month business forecasting index illustrated a similar increase (112 against 110.1 July). "*Many people are doing better than four years ago,*" "*We are the anchor which is stabilizing Europe, its growth motor and we want to continue with this. In no way should we endanger this role,*" repeats the outgoing Chancellor, who during her New Year's greetings on January 1st quoted this saying by Democritus: "Courage is the *beginning of action, happiness its end.*"

"The CDU is there to you to fulfill your dreams," said Angela Merkel on 14th August in Seligenstadt. "For Germany" "Together for success", "Opportunities for all!" are some of the CDU's slogans, which does not question its victory on 22nd September.

The SPD has tried to distinguish itself from the Chancellor's European policy but the euro zone and debt crisis are not an issue of political division. "*The policy undertaken to manage the European crisis has failed,*" declared Peer Steinbrück. The left has accused the government of not wanting to reveal how much it has cost to help the countries in difficulty. But when Peer

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Steinbrück maintains that "*if he had been Chancellor, the aid plans to the countries in the south of Europe would have included recovery measures,*" Angela Merkel argues that he approved the plans decided by her government when they were in office together. She criticizes Chancellor Gerhard Schröder (1998-2005) (SPD) for having accepted Greece's entry into the Economic Monetary Union (EMU) in 2000. "The crisis took *several years to emerge due to errors made when introducing the euro. Greece for example should never been admitted to the euro,*" she declared in Rensburg on 27th August.

Angela Merkel does not hesitate to laud the reforms introduced by Chancellor Gerhard Schröder which led to the country's recovery in terms of competitiveness as they made the labour market more flexible. Paradoxically the credit for the reforms introduced by the Social Democratic chancellor is given to the outgoing leader as the SPD attempts to distance itself from them since they were seen badly by a major share of the party's electorate who accuse the left of having contributed and of having tolerated financial capitalism. "*There are errors that have to be corrected in the Agenda 2010,"* stresses Peer Steinbrück.

The opposition candidate has also tried to cause problems for the chancellor regarding the revelations made by Edward Snowden, a former consultant of the USA's National Security Agency (NSA), over the electronic surveillance programme PRISM which the USA used to spy on the governments of Europe. 500 million elements of German data are said to have been collated monthly by the American agency. "Chancellor Angela Merkel swore to protect the German people but their fundamental rights have been infringed," declared Peer Steinbrück to the daily Bild. The SPD have succeeded in launching a committee responsible for a parliamentary inquiry on the issue. But someone close to the chancellor, responsible for the secret services, published a document showing that Frank-Walter Steinmeier (SPD), former Foreign Minister (2005-2009), former Deputy Chancellor (2007-2009) and present leader of the SPDs' group in the Bundestag, had signed an agreement with the USA when he was director of the Chancellery in 2002 and that the SPD had known about the NSA's activities for a very long time.

We should note that the Pirate Party (P), which is focused on issues concerning the movement of data, has not really taken advantage of the PRISM affair.

Peer Steinbrück is violently against any intervention in Syria after the chemical attack on 21st August last in the outskirts of Damascus, blamed on Bachar el-Assad's forces. His party maintains that this "would strengthen divisions in the international community and would make any bid to appease the situation in this region of the world impossible." The outgoing chancellor has indicated that the Syrian government has to be sanctioned but, aware that most Germans are against any interference, she has not give her approval to any intervention. "There will be no military intervention on the part of Germany," declared Angela Merkel on 9th September last.

Traditionally the foreign policy does not motivate the German electorate and the electoral campaign is mainly focusing on social issues.

... but the gap between the left and right is closing up

"*The vote may be very tight,"* repeats the outgoing chancellor. Just one week before the election the leftwing forces are indeed recovering slightly, but still lie far behind in the polls.

Peer Steinbrück performed honourably during a TV debate in which he faced Angela Merkel on September 1st and re-broadcast on the four main channels. To date TV debates have not influenced the final election results (the first dates back only to 2002 in Germany).

Peer Steinbrück criticized the outgoing chancellor over her social policy and promoted one of the SPD's leading ideas: the minimum wage of $8.5 \in$ per hour which the SPD plans to implement as of February 1st 2014. "In Germany there is a low wage sector which exists nowhere else in Europe. 7 million Germans earn under $8.5 \in$ per hour," he declared. The outgoing chancellor supports a negotiated minimum wage with the social partners per industrial sector and per Land. Since 2009, agreements have been signed in industrial sectors like construction and public works. This covers around 3 million people. Peer Steinbrück deems the measure put forward by Angela Merkel "unequal" because "not all wages are involved." However the SPD refused to commit to its policy on retirement pensions. It has promised that each worker will be able to retire at 63 if they have contributed for 45 years and maintains that anyone who has contributed for 30 years should receive a minimum retirement pension of 850 \in .

The SPD recently modified its discourse on taxes. "We want to increase taxes but not all of them and not for everybody; believe me we shall not make the German business tax burden any heavier," declared Peer Steinbrück on 19th August last. The SPD says that a tax increase would only affect 5% of the Germans. Ten days ago the SPD leader, Sigmar Gabriel indicated that his party might give up on tax increases if the fight to counter tax evasion and unofficial work brought in enough money. This made his ecologist partners angry accusing their ally of lacking courage of forgetting its campaign commitments and of trying to promote the introduction of a grand coalition after the federal election.

Peer Steinbrück has promised to counter tax evasion mercilessly which, in his opinion, is costing Germany 150 billion € per year, i.e. 16% of the total fiscal revenues. He said that he supports the introduction of a federal tax control authority as well as international measures. He seems to admit that it would be difficult to hope and that it would even be impossible to win the next elections if he said there would be tax increases.

Peer Steinbrück, mainly selected for his economic competences, has several handicaps in this campaign. He has a poor image notably amongst women, he has difficulties in standing apart from the rest (Angela Merkel excels in picking up – to her advantage – the themes (and proposals) of her rivals' campaigns) and in putting forward an alternative programme without criticizing the extremely popular chancellor. Finally he finds it difficult to convince the electorate that his party has a real growth strategy that will guarantee the greatest possible degree of social justice whilst redistribution via social transfers is now impossible.

"Those who think that this election has already been won may wake up in a Germany with a government in which the Left Party will be taking part," repeats Angela Merkel. The SPD has however said that it would not join forces with Die Linke: "Berlin must be a stable international partner to settle the euro crisis and because Germany belongs to NATO," declared Peer Steinbrück. Katrin Göring-Eckardt, the Greens lead candidate (with Jürgen Trittin), spoke of Die Linke's irresponsibility in terms of foreign policy: "we cannot foresee any cooperation with it."

The Left Party comprises, amongst others, the former SPD members who quit their party in protest against the reforms introduced by Chancellor Schröder. The differences in opinion between the two leftwing parties have always been great and they are even greater than those between the SPD and the CDU. "*The Germans would not understand an alliance that brought the SPD and the Left Party together, they want a stable government,*" maintains Oskar Niedermayer from the Free University of Berlin.

Recent polls have revealed a slight rise in voting intentions in support of the SPD. However this goes hand in hand with a decline for its ecologist allies. Voters seem to be scared about the tax increases planned for in the Greens' programme. Katrin Göring-Eckardt insisted on reassuring the public declaring that 90% of German households would see a reduction in their taxes if her party came to power. The Germans have also disliked the Greens manifest neglect of environmental issues. "The Greens made the strategic mistake of choosing social justice as the central issue in their electoral campaign," analyses Manfred Güllner of the pollster Forsa. Whilst it governs in 9 of the 16 Länder (and that they govern in four others in a coalition), the SPD is struggling to find the means to convert its regional domination into one that is national.

"The SPD continues to say that everything is going badly but the Germans are satisfied with their situation and they would like to know what Peer Steinbrück will do to improve matters," stresses Christoph Moss, professor at the IT School of Iserlohn.

The Institute for the German Economy in Cologne has assessed the electoral programmes put forward by the main political parties. In its opinion the most expensive (160 billion \in per year) is that of the Left Party. That of the SPD would total 60 billion \in and that of the CDU 11.8 billion \in . The institute's director, Michael

Hüther, has said that apart from the fact that the fiscal promises on the part of the two leftwing parties would destroy 300 000 jobs, this would also lead to a growth contraction of 0.7%.

According to the latest poll published by Infratest Dimap the CDU is due to win the election easily with 41% of the vote. It would be followed by the SPD with 27%, the Greens 10%; the Left Party 8% and the FDP, 5%. With 3% of the vote the AfD would be under the 5% threshold necessary to be represented in the Bundestag. The outgoing chancellor is due therefore to undertake a 3rd mandate as the head of Germany. "*The electorate want normal leaders who follow a line and who stick to it. Angela Merkel is predictable, sincere and clear,*" maintains Ulrich von Alemann, a political expert from the University of Düsseldorf,

One fifth of the electorate says that they have not yet made their choice. Finally the turnout rate will also be important. This is, as in most European countries, has been constantly declining for the last 40 years – to the point that the non-voters could become Germany's "leading party" on 22^{nd} September.

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