

Calm before the Storm

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This is a summer of deceptive tranquility, under the long shadow, or the early sun, of the German election on September 24. Angela Merkel, the virtuosa of what she calls “asymmetrical demobilization”, has managed to put to temporary rest each and every issue, European and domestic, that could conceivably get in the way of her reelection. To name just a few, the umpteenth “rescue” of the Greek state was allowed to pass in almost total silence; the defunct Monte dei Paschi bank was saved with Italian tax money, adding to Italian debt, while the European Central Bank and the German government looked the other way; on refugees Merkel has managed to stand for both open borders and the “deal” with Erdogan, with Greece and Italy keeping migrants bottled up for the time being; Trump was skillfully deployed as a scarecrow with which to stop the advance of right-wing nationalism in the Netherlands, Austria, France and Germany; and Macron, “Europe’s” perfect son-in-law, is promising German-style “structural reforms” without, for the moment, asking for anything in return, or only *sottissimo voce*.

Political connoisseurs will appreciate Merkel’s latest maneuver. By June the three parties from which she will pick her next coalition partner – the SPD, the Greens, and the liberal FDP – had all made “marriage for all” a condition for joining a Merkel government. A few days later the Chancellor, in an interview with a women’s monthly, declared *Ehe für alle* a non-partisan moral issue and a matter of Bundestag members’ “individual conscience”. This removed the whip from her parliamentary party, whose deputies read about it in the press. Then it took no more than a few days for the Bundestag to pass “marriage for all” into law, removing it from electoral contention. Merkel, to be sure, voted “no” while, again outside the parliamentary

debate in a setting controlled by her spin masters, declaring herself in favor of full adoption rights for homosexual couples.

There is, of course, no reason to believe that Merkel's European peace will last once she will be re-enthroned. The reason "Europe" was willing to submit to German anesthesia was to oblige Merkel to pay them back after the election. (Interestingly nobody in Europe placed their hopes on a Red-Red-Green alternative under the hapless Schultz, whose brief spring has turned into inglorious winter.) That Merkel did nothing to fend off European expectations turned them in effect into implicit promises on which Europeans will soon ask her to deliver. The Greeks, supported by the IMF, will again ask for debt forgiveness – a red line for Germany, which sees Italy waiting for the precedent. In the shorter run, Italy will ask for more of its banks to be bailed out, perhaps by way of a joint European deposit insurance (anathema for German savers), so that Renzi can return already this fall after an early election. France will want action on Macron's pet projects, the "European finance minister" and a Eurozone budget. On both, it has allowed Germany for the time being to equivocate: to be publicly supportive while meaning the opposite of what the French mean – institutions to enforce balanced budgets and bring "structural funds" under intergovernmental control. (Of course, many other Eurozone countries will want to benefit as well from a French-style "investment budget" run by a French-style "European finance minister".) Refugees, to the extent that they still arrive, will somehow have to be distributed, with Germany for domestic reasons needing other countries, in particular Poland and Hungary but also France, to take at least some of them. And Brexit must also be dealt with. Here Germany must protect its economic interests while France and the Mediterranean countries want to be rid of Britain once and for all, so they can better press

Germany into the Maastricht Treaty's "ever closer union", including "European solidarity" in the form of international economic redistribution.

On all of these issues, Merkel's room for maneuver will be extremely narrow. German political wisdom has it that after the election is before the election. One year into Merkel's next term, in the fall of 2018, the CSU, the CDU's Bavarian sister party and indispensable coalition partner, will have to defend its absolute majority in its home state, Bavaria. For reasons hard to explain in short, any result below 50+ percent would be a disaster for it that would have momentous repercussions also on the federal government in Berlin. To remain the Bavarian state party that it has been since the 1950s, the CSU must above all prevent voters on the right from moving to the AfD. With a Merkel government making significant European concessions, this would be difficult, and Merkel knows this. Expectations of an "anti-austerity" U-turn of German European policy immediately after Merkel's reelection are therefore likely to be disappointed.

Even if Bavaria remained safely in CSU hands, things will not necessarily get better. Roughly a year after the Bavarian election, Merkel will have to decide whether to seek an unprecedented fifth term in 2021. There are excellent reasons for her to retire instead, as this appears to be the only way a German Chancellor can leave office in dignity. Note that all her predecessors were forced out either by their coalition partner (Adenauer, Kiesinger, Schmidt), by their own party (Erhard, in a way Brandt), or by the voters (Kohl, Schröder). If Merkel wants to avoid their fate, her party will expect her to turn over her office to a successor roughly by mid-term, to enable him or her to contest the next election as incumbent. It is not clear who that successor might be; the current front-runner seems to be the defense minister, Ursula von der Leyen. Whether she, or anyone else, will have the authority to make the European

concessions that other countries will ever more urgently demand – and get them through the Bundestag two years before another federal election – may well be doubted.