

# As Angela Merkel moves to take credit for Europe's "growth pact", German social democrats must remember that their job is not to support the government.

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According to [Michael Miebach](#), the chameleon-like chancellor Merkel looks poised to outmaneuver the German Social Democratic Party (SPD) and claim credit for Europe's "growth pact".



At the same time as the French left celebrated its great victory last Sunday evening, the German left was recovering from its disappointing performance in the Länder-elections in Schleswig-Holstein. With only 30.4 per cent of the vote, the Sozialdemokratische Partei Deutschlands (SPD) fell ten percentage points short of its declared electoral goal of 40 per cent although it remains likely that, as part of a coalition, it will still provide the next minister-president of Germany's northernmost Bundesland.

All eyes then turned to the elections in the biggest German state of North Rhine-Westphalia on Sunday. The elections saw incumbent Minister-President Hannelore Kraft increase her red-green minority coalition into a majority government. The party now leads seven Länder governments, the same as run by the conservatives – and there could be even more tough times ahead for Chancellor Angela Merkel.

On the one hand, her coalition partner Freie Demokratische Partei (FDP) has been struggling lately in the light of its disappointing electoral results. Rumors abound that liberal party leader Philipp Rösler's days are numbered. On the other hand, the election results in Greece and France (as well as developments in the Netherlands) threaten Merkel's current course for managing the European crisis. In Greece, political instability is likely to grow, not least since Pasok and ND failed to achieve a combined majority. In terms of France the question is whether President Francois Hollande will follow through on his insistence of adding a growth agenda to the fiscal pact. Amidst all these changes, some commentators assert that we are witnessing a turning point in Angela Merkel's chancellorship.

So, are the good times coming for the SPD? That is far from certain. First of all, the SPD has won five out of the last seven Länder elections without gaining momentum at the federal level. Around 16 months before the next federal election, the party remains stagnant below the 30 per cent threshold. Part of the problem for the SPD is that the disastrous performance of the incumbent coalition government makes the party feel stronger than it actually is. Paradoxically, this week's victory in North Rhine-Westphalia and additional turmoil inside the governing coalition in Berlin could even widen this gap between the party's self-perception and its external reality.

The SPD as an opposition party still performs poorly. It has not found a remedy yet to counter Merkel's far-sighted strategy of engulfing social democratic positions and her chameleon-like ability to switch positions quickly. A look at the ratification process of the fiscal compact brings this home: Merkel had already started one of her trademark repositioning maneuvers even before the elections were held in France, when she signaled her readiness to accept a European growth agenda alongside an expanded role for the European Investment Bank. It would be hardly



German Chancellor Angela Merkel  
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surprising if Merkel and Hollande compromised on a 'fiscal and growth pact' shortly after his taking office. That way, Merkel could kill two birds with one stone: it would provide a positive start for the "Merkhollande" marriage while at the same time, the German SPD could hardly vote against a deal pushed for by its French sister party.

As a reminder: Merkel needs the votes of the SPD in the two houses of the German parliament in order to ratify the fiscal compact. Initially, the Social Democrats announced they would not consent unless the international treaty was complemented with a growth pact, to be financed by a Europe-wide financial transaction tax. If Merkel and Hollande find a compromise, this threat would remain idle. Therefore, it is difficult to understand why social democratic leaders are not even insisting on progress in terms of the financial transaction tax as a precondition of approval, especially since curbing the banks is such an intelligible and at the same time popular claim. Apparently, they have accepted Merkel's point win before the ball was even in the game.

This is despite the fact that there are many arguments to be made against the fiscal treaty. Namely that it was negotiated too hastily. The opposition was not consulted beforehand, nor was it informed properly. The same is true of the Länder, whose ability to borrow money will also be limited by the pact. Moreover, the compact provides that an unelected, technocratic 'council on stability' will be appointed to determine fiscal planning for the federal state, the Länder and the communities. It is also an open question whether the pact will stand up in the Federal Constitutional Court.

However instead of criticizing this attack on parliamentary democracy and establishing a realistic threat scenario, the SPD is caught in between "Merkhollande" and the German Länder governments who are currently negotiating compensatory payments with the finance minister. In a couple of weeks, nobody will remember that it was the SPD who originally called for a growth agenda. Another social democratic project will be subsumed by Angela Merkel.

This lack of belligerence and strategic action can partly be explained with the "Troika"-structure: The three potential candidates for the next federal elections – Frank-Walter Steinmeier, Peer Steinbrück and Sigmar Gabriel – do not form a strategic centre, but rather seem to be mutually blocking each other. Bearing this in mind, former chancellor Gerhard Schröder had a point when he demanded the candidate be nominated soon.

If the SPD could learn something from Francois Hollande's successful presidential campaign, it is the power of polarisation. This problem has become even more evident in recent years when the SPD has had tremendous difficulties in mobilising its supporters: too many of them stayed at home on election day, instead of going to the polls. In order to motivate them, German social democrats need a change of attitude: their job is not to support the government. Their job is to bring it down.

**This article is a contribution to [State of the Left](#) - Policy Network's monthly insight bulletin that reports from across the world of social democratic politics.**

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