
GERMAN CRISIS CAUSES EU HEADACHE

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Efforts to form a coalition government have failed, Chancellor Angela Merkel said yesterday (20 November), pitching Germany into its worse political crisis for decades, raising the prospect of fresh elections and causing the EU a serious headache.

The pro-business Free Democrats (FDP) withdrew from talks after more than four weeks of fruitless negotiations with Merkels conservative bloc and the environmentalist Greens saying there was not enough common ground.

German coalition talks collapse after Liberals walk out

German Chancellor Angela Merkels efforts to form a three-way coalition government that would secure her a fourth term hit a major setback on Sunday after a would-be coalition partner pulled out of exploratory talks, citing irreconcilable differences.

With German leadership seen as crucial for a European Union grappling with governance reform and Britains impending exit, FDP leader Christian Lindners announcement that he was pulling out spooked investors and sent the euro falling.

It is a day of deep reflection on how to go forward in Germany, Merkel told reporters. As chancellor, I will do everything to ensure that this country is well managed in the difficult weeks to come.

A shock as big as Brexit?

The failure of coalition talks is unprecedented in Germanys post-war history, and was likened by newsmagazine Der Spiegel to the shock election of US President Donald Trump or Britains referendum vote to leave the EU – moments when countries cast aside reputations for stability built up over decades.

The collapse came as a surprise since the main sticking points – immigration and climate change policy – were not seen as FDP signature issues.

Green politician Michael Kellner accused Lindner of bad theatrics, one of many who suggested the liberal, pro-business party had never been serious about negotiating.

Germany now faces unappealing options not experienced in Germany's post-World War Two era: Merkel forms a minority government, or the president calls a new election if no government is formed.

The main parties fear that another election so soon would let the far-right, anti-immigrant Alternative for Germany (AfD) party add to the 13% of votes it secured in September, when it entered parliament for the first time. Polls suggest repeat elections would return a similarly fragmented parliament.

Social Democrat leaders hold talks

The centre-left Social Democrats (SPD), Merkel's current coalition partners who finished second in the 24 September, have ruled out a repeat of an alliance with her conservatives, who won the most seats though fewer than before.

But some believe that the SPD could change its mind, perhaps under pressure from Steinmeier, himself a former SPD foreign minister who served under Merkel. The party's leadership was in talks on Monday morning.

Others felt the FDP could yet be prevailed upon to return to the negotiating table. The price for either party to change its mind could be the departure of Merkel, who for 12 years has been a symbol of German stability, leading Europe through the euro zone crisis.

It's not in our interests that the process freezes up, French President Emmanuel Macron told reporters in Paris, adding that he had spoken with Merkel shortly after the failure of talks.

The collapse of Merkel's efforts to form a ruling coalition in Berlin means Europe's biggest economy faces months without a proper government able to take bold decisions, undermining hopes of relaunching the EU after the shock of Brexit.

The EU insisted on Monday that it was unconcerned by the upheaval in Berlin, but there is little doubt it brings fresh uncertainty to a European Union already grappling with the departure of one of its members, the crisis in Catalonia and the growing threat from Russia — and casts a shadow over

European leaders led by Macron had hoped to use the shock of Brexit as a springboard to deepen defence, political and economic ties and revamp the bloc's institutions.

But with Merkel — by far the EU's longest-serving leader — hamstrung this will be no easy task, as Austrian Finance Minister Hans Joerg Schelling spelled out.

I believe that this failure has created a very difficult situation, Schelling said as he arrived for talks with fellow ministers in Brussels.

Germany is a driving force of the European idea. We are in the middle of a phase where we discuss if and how we deepen Europe — and there such a partner is of vital importance.

Vacuum in leadership

For Macron, who had been waiting for Merkel to form a government to start serious talks about his ambitious EU overhaul plans, which include creating a new eurozone finance minister position, the

crisis comes as a major blow.

Dominik Grillmayer, of the French-German Institute in Ludwigsberg, Germany, said that without Merks support, Macron was in no position to play the strong man of Europe.

He needs Germany for his reforms □ he underlined the need for German agreement in his election campaign, Grillmayer said.

Its bad news for Europe: there is no one who can fill the gap left by Merkel.

The crisis also has major implications for Brexit negotiations, which are effectively deadlocked over Britains divorce bill, citizens rights and the Irish border.

Olaf Boehnke, a foreign policy expert at the Rasmussen Global consultancy, said the weakening of Merkel had left a vacuum in European leadership that would make it harder for the EU to compromise with the UK.

London should be watching with concern as Berlins political focus continues to look inward for quite some time and the clock is ticking, making the current EU position unlikely to move, Bohnke said.

And Sebastien Maillard, director of the Jacques Delors Institute, warned that Britain would be wrong to think the crisis in Berlin gave them a chance to wrest a better deal from the EU.

Possibly the British will want to exploit this weakness politically, but the Germans are among those who are most annoyed by the idea of Brexit – and the most hardline, Maillard told AFP.

Whoever in the coalition, this is not an issue where the Germans will be divided.

An EU source agreed, saying that despite British efforts to split the bloc, Germany was still united alongside the 26 other member states.

Its not a disempowered German government □ theres huge consensus around its European policy — I think (worries are) a bit exaggerated, the source told AFP.

Crisis for the West

News of the collapse of talks pushed the euro and Germanys blue-chip DAX stock market index down slightly, and while they later clawed back gains, the stability of Europes economic powerhouse is vital to the rest of the continent.

And a major doubt now hangs over next months summit on the euro in Brussels, which was due to have featured 27 countries without Britain, with an EU source saying if Berlin asked for postponement I think we would have to.

It is scarcely the early Christmas present that those in the corridors of power in Brussels would have wished for, and Germanys Suddeutsche Zeitung newspaper put the extent of the challenge in stark terms.

The crisis in Berlin is a crisis for the continent. And if we add the unpredictability of the United States under Trump, it becomes a crisis for the West, the newspaper wrote.

Kaynak/Source: