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A less free Germany is emerging

By Doug Bandow

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The world's most watched elections occur in America. The world's most boring election just occurred in Germany. As expected, Chancellor Angela Merkel was effectively re-elected.

The Federal Republic of Germany is the world's most admired nation and possesses Europe's largest economy. Berlin's political and economic stability is the envy the E.U.

Merkel has served as chancellor for eight years. A skilled political infighter, she exudes confidence and competence.

Germans rewarded her Christian Democratic Union, and its sister party, the Christian Social Union, with 41.5 percent, well ahead of the more left-wing Social Democratic Party. However, the CDU/CSU fell five seats short of a parliamentary majority. And her current coalition partner, the Free Democratic Party, failed to receive the 5 percent necessary to be represented in the Bundestag.

Commentary on the election has focused on Merkel's triumph. There is little doubt that she will remain chancellor. The only question is the identity of her coalition partner — and what price she will have to pay for that party's support.

Ironically, policy isn't likely to change very much. She has steadily pulled her party leftward. Cem Ozdemir, co-chairman of the Green Party complained that the chancellor "becomes Green when it helps her and becomes a Social Democrat when that's beneficial too."

Before agreeing to a new grand coalition the SPD undoubtedly would demand more economic intervention more quickly. But the policy endpoints look similar. She "is a leader without any trace of ideological commitment," said Jan-Werner Mueller of Princeton. Her overriding objective is to stay in power.

Alas, her policies helped wreck the FDP. The Free Democrats were created in 1949 and have served in the Bundestag ever since. In 2009 they made their best showing ever, 14.6 percent. Now, with just 4.8 percent of the vote they are out of the Bundestag.

The Free Democrats are liberals in a classical sense, for free markets and social tolerance. They fit well with the early post-war CDU/CSU, which orchestrated the "economic miracle" which

restored German prosperity. However, as the conservatives embraced the welfare and regulatory state, the FDP enjoyed less policy impact.

In 2009 the Free Democrats campaigned for tax cuts and a freer economy. However, instead of claiming the Finance Ministry as the price of its support for Chancellor Merkel, the FDP landed the Foreign Ministry — a prestige posting but unrelated to the party's signature political issues. Within a year the FDP's political support had hemorrhaged, with the party's poll rating dropping by two-thirds.

The Free Democrats failed to deliver policy change. At the same time, the chancellor claimed credit for economic prosperity and stability. Germans could be forgiven wondering: what was the purpose of the FDP?

The party's political fortunes collapsed. Out of seven state elections, it fell below the five percent threshold in five. A week before the national vote the FDP dropped out of the Bavaria state legislature, winning just 3.3 percent of the vote.

As the September 22 vote loomed the FDP was reduced to begging for the second vote (for party, as opposed to for specific candidates) from CDU/CSU supporters. In essence, the FDP requested that its opponents support it so it could join in coalition with its opponents. It turned out to be a less than compelling political appeal.

While it is premature to write the FDP's obituary, its future looks dim. Even when articulating market principles and possessing a sizable Bundestag contingent the party had little impact on policy.

Moreover, the FDP fall-back argument — vote for us to keep the CDU/CSU in power — also has lost credibility. Having dropped of the Bundestag, no voter can be sure that it will re-enter next time.

Worse, the FDP faces a principled competitor, the Alternative for Germany, or AfD, which is more likely to shake up the existing power structure. The newly created AfD, which campaigned against the euro, the common European currency, matched the FDP's vote total, falling just short of the magic 5 percent.

The AfD has the field to itself in resisting Berlin's ever more expensive commitment to the euro, and the party could broaden its appeal — its economist founder appears to hold a classical liberal philosophy. If so, the Alternative could become the most, and perhaps only, effective challenge to the CDU/CSU's slide to the left.

The big winner in Sunday's German election was Angela Merkel. But the German people are losers. Their government seems destined to grow more expensive and intrusive.

And the one party that traditionally advocated free markets and individual liberty will disappear not only from government, but also parliament. The consequences could be serious and long-lasting.

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