

Report from Bonn by Rainer Apel

The bell tolls for Helmut Kohl

Election results in Lower Saxony make it look as though Social Democrat Gerhard Schroeder will become the next Chancellor.

After 16 years of Christian Democrats in the Chancellor's office, Germany may again be governed by a Social Democrat, after the September elections for national parliament. Opinion polls give Gerhard Schroeder, the Social Democratic Party (SPD) candidate for Chancellor, a lead of 15-20% over Helmut Kohl of the Christian Democratic Union (CDU). Indeed, more than 60% of all Germans of voting age say they dislike Kohl or oppose another term for him. A broad majority of voters think it is time for a change; that after more than 15 years of CDU-Free Democratic Party governments, the nation should have a "Grand Coalition" of CDU and SPD, like the one that governed during 1966-70, at the peak of the 1960s recession.

Most Germans believe that only a coalition of this type could bring the nation out of the economic depression. And, most believe that a leading role in such a coalition would be played by Schroeder, Governor of Lower Saxony, one of the 16 German states. He won the March 1 state elections there, improving the 44.3% of the vote the SPD got in 1994, to 47.9%. The CDU received its worst result there in four decades, with 35.8% of the vote.

The paradox in the Lower Saxony election, is that Schroeder gained votes more because he is seen as the one who has the best chance of replacing Kohl. This tells more about the shrinking popularity of Kohl and his policy, than about Schroeder.

Schroeder is aptly described as the "German Tony Blair": His draft economic policy, presented in September

1997 and approved by the SPD national party convention in December, borrows from the "New Labour" platform which paved the way for Blair's victory in the May 1997 elections for Parliament in Britain.

Schroeder's paper calls for a massive expansion of service-sector and low-income jobs, to compensate for the unabated loss of industrial jobs, which has sent Germany's 1997 jobless figure to almost 5 million. Schroeder proposed that the state subsidize firms that create lower-skilled, lower-paying jobs, and that the state force welfare recipients to accept such jobs. The scheme is copied from Blair's "welfare to work" project—which is under broad public attack in Britain, because it has reduced living standards.

The "welfare to work" scheme is acceptable to most Christian Democrats. The Schroeder paper can be seen, therefore, as programmatic preparation for a post-Kohl Grand Coalition, in which Schroeder would play the leading role, as Chancellor. And, Schroeder has received backing from bankers and industrial leaders, at a time when support for Kohl from these circles has visibly collapsed.

However, the SPD has strong ecologist currents, and Schroeder is making concessions not only to the CDU and industry, but also to the "green" aspects of SPD programs. This turns essential aspects of his economic platform into a mixed bag, with contradictory elements. For example, he is for the promotion of some modern technologies, such as biogenetic engineering, aircraft manufacturing, and pipeline construction, but he is not for other

vital modern technologies, such as Transrapid maglev rail systems, space technology, and nuclear power. In principle, he is for a special new "ecology tax" on energy and raw materials consumption, but he opposes a radical introduction of it under present circumstances, in which industry has to create more jobs.

This has angered the Green party, and green currents inside the SPD. But, Schroeder's program is still green enough to get the support of many ecologists. In Lower Saxony, several tens of thousands of voters switched from the Greens to the SPD, to vote for Schroeder.

Schroeder has yet to make any statement on the international financial crisis, and he has portrayed globalization as a "fact that we have to live with." He has said that he wants to make the effects of globalization "more social," and to create more jobs, especially for the youth. But he has proposed no grand design for big projects that would create several hundred thousand jobs at once. Instead, he has proposed a set of tiny adjustments in the tax system and in the unemployment administration, which he says will create additional jobs for 100,000 youth every year. The idea behind his proposal for lower-income jobs, is to make it attractive for industry to reverse its policy of outsourcing and shift investments back to Germany, to create jobs here.

However, these ideas are not shared by many SPD members and the labor unions. They may desert him on election day, and the worse the economic situation becomes, because of the Asian crisis, for example, the less certain it is that a majority will vote for Schroeder in September. Certainly, the wind is blowing against Kohl, but the SPD first has to have more seats than the CDU in Parliament, to nominate the next Chancellor.