

TROUBLE IN PARADISE**Seeing Red in Merkel's CDU**

With a wildly popular leader and unbeatable lead in the polls, Germany's conservatives should be sitting pretty. But the party's leftward shift under Angela Merkel has frustrated some, while others worry about new competition coming from the right.

BY SIOBHÁN DOWLING



Supremely confident leader. Source: Handelsblatt/ANP Photo

Back in 2003, Angela Merkel, the then-untested new leader of Germany's Christian Democratic Union – the party of former chancellors Helmut Kohl and Konrad Adenauer – stepped up to the podium at a Leipzig party convention.

As a middle-aged woman leading a European conservative party, there were the inevitable comparisons with Margaret Thatcher, the former British prime minister and conservative icon. And politically there were parallels. Ms. Merkel also gave a full-throated “neo-liberal” speech, demanding tough reforms of the welfare state.

Today, “Angie,” the Thatcherite, is nowhere to be seen.

WHY IT MATTERS

Internal dissent in the CDU conservative party of German Chancellor Angela Merkel, if it reaches critical mass, could present one of Europe's most powerful political leaders with serious domestic challenges.

FACTS

57 percent of Germans would vote for Angela Merkel if there were direct elections for chancellor, according to a recent poll.

Ms. Merkel's CDU party won 42 percent in the September election and has maintained 40 percent support since then.

The minority Social Democrats received 25 percent in the election but seem to have dominated the agenda in their coalition with the CDU.

Since coming to power in 2005, [Ms. Merkel](#) has shifted leftwards and emerged as a pragmatist firmly planted in the center of the political spectrum.

It is an approach that has made her the undisputed leader not only of her CDU party, but of Europe as well.

Yet, despite having a wildly popular leader and an intimidating lead in the opinion polls, Ms. Merkel's leftward tack has some in her own party seeing red.

For economic liberals, there is not enough pro-business policymaking, and for traditional conservatives, the party has moved far too far to the left, playing into the hands of a new party of euro-skeptics. For the CDU's energetic youth wing, the party is not investing enough in infrastructure and the digital economy.

In private conversations, these disgruntled loyalists not only complain about where the CDU is heading. They are alarmed that their junior partner in the governing right-left coalition, the Social Democrats (SPD), seem to dominate the German political agenda, despite having only won 25 percent versus the CDU's 42 percent in the 2013 election.

The leftward tilt under Ms. Merkel is largely the result of her pragmatic approach to coalition-building – she was also in a coalition with the SPD from 2005 to 2009 – and her astute ability to read subtle changes in the German political mood, as well as her response to the global financial crisis, where she ended her flirtation with neo-liberal economics in favor of more state intervention.

However, many in Ms. Merkel's party are seething that her government is dominated by what they regard as social democratic policies, which have raised social welfare benefits, set a minimum wage, reduced the retirement age and improved dual citizenship rights.

Also infuriating conservatives: the government's support for gender quotas in corporate board rooms and a costly national plan to exit nuclear energy.

The CDU-SPD right-left coalition's political agenda "are all themes that have to do with redistribution, with social benefits," said Jens Spahn, a young, rising star in the CDU. "We have to make sure that we in the party focus more on the economy."

The 34-year-old Mr. Spahn, who is the party's health spokesman in Germany's Bundestag, is one of the organizers of the CDU2017 group, a collection of about 50 young parliamentarians. The group's own

reforms, which they have dubbed Agenda2020, focus on helping bolster the German economy.

“We have to stay strong, economically,” Mr. Spahn told Handelsblatt Global Edition, warning against complacency. “The sick man of Europe became the engine of Europe, but if we aren’t careful we could become the sick man again.”

Above all, CDU2017 wants to avoid another grand coalition with the SPD after the next election. “We got 41 percent of the votes and we had to make more compromises than ever. That shouldn’t happen again.”

Many younger CDU members are irritated at how the government seems to focus on the older segment of society, for example by its proposal to lower the retirement age to 63 for those who have paid into the national pension system for four decades or a plan to provide a government pension for stay-at-home mothers. They want to see more emphasis on issues that concern them, such as investment in infrastructure and the digital agenda.

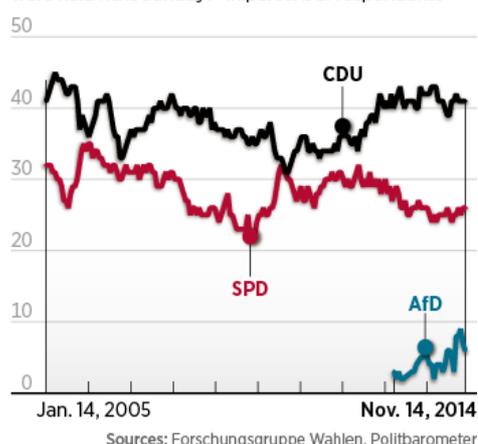
“Some of the policies of our government, such as lowering the retirement age to 63, puts a burden on future generations and decreases our country’s competitiveness,” Paul Ziemiak, the leader of the Junge Union, the CDU youth wing, told Handelsblatt Global Edition.

Popularity

... of Chancellor Angela Merkel
on a scale from -5 to +5



... of German Parties
“Who would you vote for if parliamentary elections were held next Sunday?” in percent of respondents



Mr. Ziemiak argues that there should be more flexibility in how work is regulated. “Demographic change will also result in higher costs for

future generations. People who are now in their 20s will have to pay for those who are in their 60s. This requires new political and societal concepts,” he said.

For Mr. Ziemiak, the CDU should distinguish itself more from the SPD’s interventionist approach to family policy.

“We have not emphasized sufficiently what our image of the family is and that we actually have a clear image of the family, one in which the idea of freedom of choice is key,” Mr. Ziemak said. He favors parents being given greater choice to decide if they want to care for their children at home or in daycare.

The younger members are not the only ones calling for a stronger CDU stamp on the current government.

The Economic Council, a business association with ties to the CDU, is also concerned about the strong focus on social policy in the first year of the coalition.

“This is the completely wrong signal to send at the wrong time,” Kurt Lauk, the president of the council, told Handelsblatt Global Edition. “In terms of domestic politics it is a burden for the young generation and in terms of foreign policy, we are conveying the message to our European colleagues that they can drink water while we drink wine.”

The council is also critical of how the *Energiewende*, Germany’s transition from nuclear power to renewable energy in the wake of Japan’s 2011 Fukushima disaster, has been handled. Many in the energy industry complain that the costly government plan – which has pumped billions of euros in subsidies into construction of wind turbines and solar energy farms – has pushed up energy costs for average Germans and companies, which already pay some of Europe’s highest utility bills.



Merkel in her Thatcherite phase, Leipzig 2003. Source: DPA

“The implementation is basically scandalous,” Mr. Lauk said. “For energy-intensive industries, we are creating a very obvious de-industrialization.”

The council has loudly criticized Germany’s new minimum wage, the nation’s first and a key element in the agreement between CDU and SPD negotiators at the outset of their coalition. The minimum wage, the council has argued, could push up German unemployment, now at just over 6 percent, its lowest since reunification.

Last week Ms. Merkel’s own [panel of advisors](#) criticized her government for policies the group asserted were weighing on the economy. Germany has already slashed its economic growth forecast for this year from 1.9 percent to 1.2 percent on the back of weak economic data.

“The current economic slump is home-made and is a result of this government’s incorrect economic policy,” Mr. Lauk said.

There are also voices that feel the CDU has veered too far left on non-economic issues such as family policy and immigration.

Christean Wagner, leader of the conservative Berliner Kreis, or Berlin circle, says while the CDU has always had a broad base and weighted toward the political center, its shifts of late have alienated many traditional conservatives and pushed some into the arms of the euro-skeptic [Alternative for Germany](#) (AfD), a start-up party that is now polling at around 7 percent nationally only a year after being established.

“We have to return to these themes that we have neglected and that the AfD have seized on,” Mr. Wagner said.

Although the AfD didn't receive enough support to send representatives to the federal parliament last September, the party performed well in last spring's European elections and [recently garnered](#) around 10 percent of the vote in three state elections. It has hoovered up votes from across the spectrum, but gained the most from the CDU, making many in the party worried.

Up to now, the strategy has been to dismiss the AfD as a flash-in-the-pan or to tar them as right-wingers, a strategy Mr. Wagner said is wrong-headed.

“We have to deal with them critically. Ignoring them is completely the wrong way,” he said.

Of course, the high voter volatility that has recently favored the AfD has allowed Ms. Merkel to draw votes from across party lines.

Lothar Probst, a political scientist at Germany's Bremen University points out that in elections in 2005 and 2009, the CDU actually lost many conservative voters. Its strong showing in 2013 was largely thanks to Ms. Merkel's personal popularity and her ability to attract votes across the political spectrum.

When Ms. Merkel retires from the political scene – which nobody, including Ms. Merkel herself, is even hinting at – some worry the CDU may struggle.

“That is why different circles in the party are now demanding that the party react offensively to this challenge,” Mr. Probst said.

To be sure, no one in the CDU is willing to politically attack Ms. Merkel, just the coalition government's policies. Many are wary of incurring the wrath of Germany's powerful political matriarch, who has vanquished a series of louder and more macho internal rivals – the former parliamentary floor leader, Friedrich Merz, and former state premiers Roland Koch and Günther Oettinger – with clinical precision.

“No one wants to raise their heads above the parapet and criticize Ms. Merkel. But that doesn't mean that beneath the surface there isn't dissatisfaction,” Mr. Probst said.

And certainly there is no sign of any challenger for now. “No one at this point in time, when the chancellor is at her zenith, would come forward,” he added.