

Germany: the SPD is using the eurozone crisis in its election campaign

Konrad Popławski, Niemcy: SPD buduje kampanię wokół kryzysu strefy euro

Over the past few days, the SPD has intensified its attacks on the policy adopted by Chancellor Angela Merkel for dealing with the eurozone crisis. The direct pretext for these attacks emerged during an election rally on 21 August, when the minister of finance, Wolfgang Schäuble, announced that Greece would need another aid package from the eurozone member states next year. He did not state the precise amount Greece would need. Experts from the SPD, accusing the government of concealing the real scale of Germany's financial engagement in Greece from the public, calculated that the required aid from Germany could reach 11 billion euros by 2015 and another instalment between 2015 and 2020. Chancellor Angela Merkel has emphasised that in order to receive possible aid, Greece will have to meet strict conditions. Schäuble has in turn assured that no part of the Greek debt can be written off, and such speculation can only cause concern among investors.

Commentary

- So far, the German government has been able to successfully put a lid on discussion on the eurozone crisis during the election campaign. Better data concerning economic growth in the past few months has also been helpful. However, Schäuble's announcement that it was necessary to offer a third aid package to Greece outraged public opinion and focused its attention on the results of Chancellor Angela Merkel's policy in the eurozone. This may mean that this subject will be the core point of the TV debate between Chancellor Angela Merkel and the SPD's leader, Peer Steinbrück, scheduled for 1 September.
- However, the eurozone crisis is not a convenient topic for either of the parties. The SPD's problem in this context is the fact that it has no alternative idea to rescue the eurozone. The Social Democrats have backed the government's proposals regarding the crisis in almost every vote so far and has admitted that it is acceptable to increase Germany's engagement in rescuing the eurozone through the issue of so-called "eurobonds". Furthermore, Greece was accepted to the eurozone in 1999, when the SPD and the Green Party were in the government. Chancellor Angela Merkel is likely to assure the public that good situation has been maintained on the German labour market and that public finances have been improving owing to her policy (Germany has benefited from the low

interest rate imposed on its bonds). In turn, the opposition will emphasise that the chancellor has failed to push through any significant structural reforms of the eurozone and has led to increasing financial risk for Germany due to it granting loans worth a total of 86 billion euros as part of various aid programmes to other eurozone member states.

- This attempt to take advantage of the topic of the eurozone bail-out during the election campaign is yet another unsuccessful attack on Chancellor Merkel and to reduce the support levels of the Christian Democrats. According to polls conducted by the Forsa Institute on 28 August, the support levels are: 41% for the CDU and 22% for the SPD. Support for the Green Party has fallen by 2 percentage points to 11%. Support for the Left Party has increased from 8% to 10%. The FDP has lost 1 percentage point, and is now backed by 5% of the voters. The Pirate Party and the Alternative for Germany each received 3% of the votes. Thus the middle-class CDU/CSU/FDP camp may expect voter support at 46%, while the rather unlikely SPD/Greens/Left Party coalition may count on 43% of the votes.