

Time for Merkel to go

Oliver Hartwich | The New Zealand Initiative | 05 February 2016

Recently, I wrote about the sorry state of Europe and the person most responsible for it – Angela Merkel ([A mess of Merkel's making](#)). Now, we'll take a closer look at the German Chancellor, her record, and her prospects of staying in power.

To begin with, I have to admit how astonished I am to be writing this piece. Only half a year ago, I explained how boring German politics under Merkel had become. At the time, her position seemed virtually unassailable and the 2017 election result a foregone conclusion. Not anymore.

As regular readers will know, I have never been a member of the Merkel fan club. To me, she has always been an unprincipled ditherer. Merkel was someone who used to subject any political decision to the question of whether it helped her secure her position. She never stood for anything other than herself, she changed her mind whenever it suited her popularity, and she killed off any potential rivals in the process. But even I have to admit, she was good at it. Until 4 September 2015.

On that September day, Merkel opened the border for Syrian refugees stranded in Hungary. In doing so, she sent out a strong signal to any would-be migrant that embarking on the way to Germany may be a good idea. This in turn triggered a chain reaction of events domestically and internationally which Merkel is no longer able to control – nor does she seem to be trying.

Whatever possessed Merkel that day, it has revealed a side of her we did not know before.

Whether it is finally a principled stance or just her stubbornness to refuse admitting a mistake, for the first time in her chancellorship, Merkel is pursuing a policy that is hugely costly, deeply divisive and probably illegal. And yet, she is sticking to it come what may.

"Give me your tired, your poor, your huddled masses yearning to breathe free," Merkel seemed to tell the world. Unfortunately, this did not turn her into a German statue of liberty but into a failed chancellor. Her open-doors policy is dangerously destabilising Germany's political system, and burdening the country with enormous fiscal and social liabilities while isolating it internationally. Each of these "achievements" on its own would be enough to warrant Merkel's immediate resignation.

To begin with the political consequences of Merkel's actions, one only needs to look at opinion polls for both the national level and the three federal states in which there will be elections next month. The latest national poll had Merkel's Christian Democrats at 33%, down from 41.5% at the last election in 2013. But Merkel's weakness is not benefiting the

other main party, the Social Democrats, who are also down from 25.7% to a meagre 23%. The main winner is the Alternative für Deutschland (AfD), a right-wing populist party that is not even in Parliament at the moment but would score 12.5% if Germany went to the polls next weekend.

For decades, it was an unwritten law of German politics that to the right of the Christian Democrats, no other party was supposed to establish itself. By abandoning her party's core "law and order" values, Merkel has vacated this space within the electoral spectrum and made the rise of nasty right-wing populism possible.

When the states of Rhineland-Palatinate, Baden-Württemberg and Saxony-Anhalt go to the polls on 13 March, we will get a taste of the new political realities. In all three of them, the AfD will easily pass the 5% threshold, potentially reaching double digit results. It is a strategic disaster for Merkel's party and for her personally. She would be the CDU leader presiding over a fracturing of the political right that had previously been united for decades.

But it is not just Merkel's political party that is suffering from her decision to no longer police German borders. It is a costly exercise to allow vast numbers of poorly qualified migrants into the country. In December last year, the Kiel Institute for the World Economy estimated the annual costs of integrating Germany's migrants to be up to EUR55bn.

Meanwhile, economist Bernd Raffelhüschen, Germany's leading expert on generational accounting, calculated that integrating one million refugees would result in a total cost of EUR450bn. However, that may well be too optimistic on two counts. First, Germany already received more than 1.1 million newcomers last year alone and more are coming. And second, Raffelhüschen assumed that it would only take six years until new arrivals reached a qualification level comparable to previous migrants already in the country. If only.

The most extreme estimate for the costs of integrating is Thilo Sarrazin's, former finance minister in the state of Berlin, former Bundesbank director and outspoken book author. Sarrazin believes the lifetime costs, including family reunions, could reach EUR1.5 trillion.

No matter what the real figure will be in the end, one thing is certain – the long-term costs of Merkel's policy are only comparable with historic events such as Germany's unification or the devastations caused by wars. And these are just the pecuniary costs of absorbing poorly qualified migrants. That there are social, cultural and political as well as economic and fiscal costs is plain to see.

With her policies, Merkel has also isolated Germany in Europe. Never before has post-War Germany had fewer friends and allies than in these days.

Finally, by ignoring international treaties, conventions and domestic constitutional law, Merkel has damaged trust in political institutions and the rule of law. Two former justices of Germany's Constitutional Court, Udo di Fabio and Hans-Jürgen Papier, have now publically condemned her policies as illegal. Papier, a former president of the court, went so far to say

that "never before has there been such a discrepancy between the law and reality" as in these days.

During her tenure as Chancellor, Merkel has been responsible for a number of costly policy mistakes, chief among them the decision to switch off nuclear power stations after Fukushima and the establishment of costly bail-out and guarantee schemes during the euro crisis. Each of them has burdened taxpayers with hundreds of billions of costs and implicit liabilities.

But with her actions during the refugee crisis, Merkel is dwarfing even these previous policy blunders. If one were to add up all her mistakes, they can now be counted in the trillions. But, again, these are just the monetary costs. In committing her mistakes, Merkel has also damaged her country's reputation, its integration into the European Union, the European Union as an institution, the rule of law, and political stability in Germany and its neighbours.

With such a record, any Chancellor should have resigned a long time ago – or be kicked out by voters or at least her own party. That Merkel still clings on to power only shows how successfully she had previously purged her party of any potential rivals.

No matter how long Merkel still manages to stay in office, she will go down in history as the worst chancellor post-War Germany has ever had. The sooner she goes the better.



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