

Germany's political crisis is about the future of Europe

Can you say “No” to a German chancellor when all she is asking you for is 14 days?

There is one man who did. Horst Seehofer, interior minister and chairman of the Christian Social Union, the Bavarian sister party of Angela Merkel's Christian Democratic Union, has managed to trigger the most serious government crisis Ms Merkel has faced as chancellor.

He wants German border guards to reject entry by asylum seekers registered in other EU countries. Ms Merkel wants a European solution and has asked him to wait until the EU summit at the end of the month.

The 46 CSU members of the Bundestag unanimously backed Mr Seehofer. One of them said Ms Merkel has failed to come up with an EU-wide deal for three years. What difference will two weeks make? The CSU, under pressure from the anti-immigrant Alternative for Germany, seeks to position itself as tough on immigration ahead of the October Bavarian state elections.

Over the weekend, the situation remained tense.

The conflict could come to a climax this week. Under German law, the interior minister has executive powers that would allow him to impose a ban without approval by the chancellor. If he did, Ms Merkel could sack him, and in doing so, cause the coalition to lose its majority. There may even be new elections. The union between the parties, dating back to 1949, may end.

There is a compromise on the table that could buy a truce for a few days.

However, the unity between Ms Merkel and the CSU appears permanently fractured. This conflict is not about 14 days here or there, but about the CSU's unilateralism versus Ms Merkel's support for European integration. It is the essential conflict in European politics of our time.

Ms Merkel has no majority in the country for her liberal refugee policies. She opened the border to refugees in 2015 but without making sure that there was

sufficient political and logistic support.

Ms Merkel's general strategy of procrastination has reached the end of the line. Mr Seehofer wants a firm policy on immigration. And Emmanuel Macron, the French president, demands a response on the reform of the eurozone. And they both want it now.

She is also under pressure from Donald Trump. The US president is openly attacking her on two other areas where she procrastinated. One is her stated commitment to raise German defence spending to 2 per cent of economic output. The other is a reduction in Germany's excessive trade surpluses. The CSU is now positioning itself as the German Trump party. Markus Söder, Bavarian prime minister, talked about an "end of orderly multilateralism".

The implication is that Germany should take matters into its own hands. He might as well have said: Germany first.

Ms Merkel is not going to get a broad EU-level refugee deal now. Her best hope lies in a series of bilateral treaties with those EU countries where most of the refugees arrive — Italy, Greece and Spain.

But just think about the possible trade-offs the leaders of these countries would demand: Greek debt relief; an Italian exemption from the eurozone's budget rules; maybe changes to the statutes of the European Central Bank. Elections are coming up in Greece. The new Italian government has a long list of demands that would drive German conservatives into a state of permanent depression. And Mariano Rajoy, Ms Merkel's staunchest ally in the European Council, is no longer Spain's prime minister.

There exists a theoretical pro-European outcome to this crisis. Ms Merkel could get her EU-wide refugee deal and in turn, would accept Mr Macron's eurozone reform and whatever Italy and Greece will be demanding as well. But it is not hard to see how this could go wrong. The eurozone debate in Germany derailed a long time ago. I see no chance of Germany being able to offer the trade-offs needed for a wide-ranging refugee deal.

A more likely scenario is a strategic alliance between Mr Seehofer and Matteo Salvini, the new Italian interior minister and leader of the League. They are united in their unilateralism. Sebastian Kurz, the conservative Austrian

chancellor, might join that coalition of the unwilling.

Many people have admired Ms Merkel's pragmatism and her managerial style. But the trade-off has been a persistent failure to solve problems.

The photo from the G7 summit of world leaders in Canada, showing her in a defiant posture opposite Mr Trump, is an optical illusion. She is not standing up to anyone, not even to Mr Seehofer.

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