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## An Anatomy of Leadership **Angela Merkel's Leadership & the Future of Germany's Economy as it Exits Atomic Energy**

by Paul Dolan\*

### Three *invaluable* qualities of a Leader:

- Compassion for all creatures
- Material simplicity and frugality
- A sense of equality or modesty

From *Tao Te Ching*, written for the wise political ruler  
in China, fifth century B.C

Often misunderstood and criticized by members of her own party, the opposition, and journalists for her "lack of leadership," Angela Merkel is being recognized around the world as a serious leader to be appreciated for effectiveness rather than the fanfare which popularizes so-called charismatic politicians. Her modest leadership style, and the quiet, judicious way in which she is going about revolutionizing the German economy, stimulating innovation, education, economic growth, and the export of German technologies, is reflected in the most ancient descriptions of wise Chinese rulers. Simultaneously, her move to lead Germany out of the age of atomic energy has placated the Green opposition and strengthened her own conservative party's environmental bona-fides, quieted fears of "Fukushima here" within the German population, and challenged German science, industry and finance to create a new paradigm for a „clean, green energy economy” – and she has pledged to manifest these revolutionary changes in the next decade.

### **Leadership**

Mid-term government-bashing seems to be on the agenda of most elected democratic governments around the world, regardless of the quality of the leadership in those governments. Angela Merkel's right-of-center administration is no exception. Yet, in spite of an impressive list of accomplishments, public opinion polls predict that she could not win the next election „if held next Sunday.“

„Merkel is a weak leader and can't make decisions“ the German press maintained for months as it degraded the new government after her re-election. How accurate is this claim?

An examination of the path she has traveled since being elected Germany's first woman chancellor in 2005 and re-elected in 2009 is worth reflection. This is especially important because she is leading Germany, the European Union's largest member with over 30% of the EU's economy and 25% of its population.

Chancellor Angela Merkel, the world's only head of state with a Ph.D. in Physics, has many unique attributes. She is the first German leader to grow up in Communistic East Germany. The daughter of a Lutheran priest, she is the first woman to successfully unite the conservative Christian Democratic Union (CDU) – which she did in 1998 after a scandal involving the party's leaders at that time.

When the electorate split the ballot between the CDU and the Social Democrats Party (SPD), she brought the two parties together and formed a coalition government in 2005 that weathered the

global financial crisis and brought Germany out of its worst recession in record time. Merkel was re-elected in 2009 to build a new government independent of the Social Democrats and with a coalition of conservative parties, the CSU and FDP – another first for the Lady Chancellor and for Germany.

As the global financial crisis threatened to destroy the German economy, shrinking it for the first time in the post-war period by 5%, Merkel's government implemented massive capital infusions, and most of the G-20 governments agreed. If „too much big government“ had been the complaint of conservatives prior to the recession, they were not complaining any longer. Now the size of the debt concerned them. But would the German government retreat from its position of power once the recession had passed? While conservatives were concerned about the threat of growing socialism, they did not have to wait long for an answer.

The German economy grew 3, 5% in 2010, the highest rate of growth since 1990. Growth for 2011 is projected at a still higher rate. Employment has been on a steady rise since Merkel came to power in 2005 and has now achieved a new record – never before in Germany's peace-time history has its economy supported over 42 million jobs.

Looking back at the recessionary period that began nearly three years ago, it is difficult for many Germans to grasp and appreciate the dramatic improvement that has occurred during Merkel's tenure as Chancellor. Unemployment is projected to soon fall below the 7% level – and this barely two decades after the full assimilation of Eastern Germany and its communistic legacy of massive economic mismanagement into the former West German economy.

Certainly the decision to cut the national debt and to implement Germany's „austerity package“ to reduce government expenditures – led by Germany's Minister of Finance, Wolfgang Schaeuble – created broad-scale respect for the government, despite significant criticism from the opposition political parties and from the press.

German growth has also been stimulated by trade with China, now Germany's largest trading partner replacing neighboring France. Top officials from the Chinese government, who honored Chancellor Merkel in July with their visit to Berlin, expressed their faith in her guidance of Germany – and of Europe. This is a first for any German leader and may reflect the Chinese appreciation of Merkel's embodiment of ancient Chinese virtues expressed in the *Tao Te Ching*, one of China's most popular classics.

Germany's internal political climate, though, seems unappreciative. Domestic pollsters continue to predict Merkel's political demise, „should elections be held next Sunday.“ Nevertheless, despite her relative unpopularity at home, the world at large recognizes Merkel's leadership. Angela Merkel's modest acceptance of America's highest civilian award, the Medal of Peace – presented to her by President Obama in June – contributed to closer Trans-Atlantic relations. Typically, this event hardly caught the attention of German journalists.

### **Angela Merkel's recent brilliant initiative**

Yet, no one was prepared for what came in March this year following the Fukushima nuclear disaster in Japan. Previously, experts within the German nuclear energy agency had often compared their own high standards for atomic energy plants (AEPs) with the detail-conscious Japanese and concluded that Germany has the safest nuclear energy plants in the world. With 17 atomic energy plants throughout the country, the benefits of atomic energy had long been believed to outweigh the risks. Nearly 25% of German energy flows from AEPs.

The Green Party, known for its anti-nuclear energy stance and for its left-leaning oblivion to the forces that drive an economy, began winning state and local elections in March and April this year, resulting from fears that „Fukushima could happen here.“

With Germany's population in a state of alarm, the Chancellor had eight of the oldest German atomic energy plants (AEPs) turned off immediately and placed them under investigation for 90 days. She created a “Council of Ethics on the use of Nuclear Energy” and invited a mélange of government officials, clergy, top managers, philosophers, scientists and state and national politician of all parties to join in a nationally televised debate on the issue of Germany's energy

future and AEPs. In July 2011 the new Energy Laws were passed, creating a culture for innovative academic and economic growth, as well as for renewed political activity.

**Dr. Michael Meister, insider within Angela Merkel's ruling CDU party, predicted at a June conference of business, science, and government leaders held by the Economic Forum Deutschland e.V. that the effects of the new energy laws will be long-lasting and dramatic. He invited participants to suggest improvements from their particular vantage points so long as the bill was under discussion. He would introduce all new thoughts for debate.**

Some will quibble about Angela Merkel's timing and motives, while others are debating the startling speed at which she moved, but the population is at ease *again* and Germany's Chief Physicist is satisfied that by the year 2021 – the deadline she set for exiting atomic energy – her country will not be threatened by a meltdown of a German AEP.

The Chancellor has taken the wind out of the sails of Germany's anti-nuclear forces by acting quickly and forcibly to implementing her own program. And she did so with her detractor's support. At the same time she drove the pro-nuclear lobbyists out of her offices at the risk of alienating their support and that of Big Energy for her next campaign. Leadership requires courage.

With her decision to exit nuclear energy, Germany became the first industrial state to do so. Chancellor Merkel's move was followed only weeks later by the Japanese Prime Minister Kan, who did a sudden *volte-face* by announcing that Japan will also depart the nuclear energy age. Although the exact date for this is not yet clear, Japan's goal *had been* to draw 50% of its energy from AEPs by the year 2030.

To replace nuclear energy, Angela Merkel intends to promote and sponsor energy research for alternative energies with funding of some 3,5Bn. Euro. With initial funding for the German automobile industry of one billion Euro, *E-Mobility* and electric cars and transportation are intended to replace the internal combustion motor and provide Germany with a range of new clean-energy vehicles emitting low or no CO<sup>2</sup> into the atmosphere. To the joy of environmentalists, Merkel's plans for new energy sources will also spur the quest for CO<sup>2</sup>-free emitting energy and power facilities.

The economy Merkel saved just two years ago by "socializing the losses of banks and others" will now be stimulated by her bold decision to entrust the future of energy supply to innovative entrepreneurs, the financial community, and science – all working together to build new German clean-energy infrastructure.

### **A historical turning point**

In some circles, the magnitude of Merkel's policies is being equated with the reunion of Western and Eastern Germany and with the beginning of the Industrial Revolution. Germany's balance of payments should reflect the developments of the economy within a short time as less and less crude oil is imported. The country's national debt is already being reduced by record growth levels and surprisingly high tax revenues, all of which are precursors of future growth.

Angela Merkel's faith in German science and industry to innovate new energy sources, can be compared with John F. Kennedy's decision in 1961 to go to the Moon and the vast number of enterprises that were launched to support that goal from Silicon Valley to the Scientific Triangle. Millions of jobs were created. The educators of America found new reasons to demand the best from their students. Research and development, science and innovation were tested to their limits. New technologies emerged including continuing advances in computers, integrated circuits and solid state systems, and myriad new materials and technologies. The USA's space program under Kennedy was the birth of many high-technology industries.

That historically ambitious agenda – set 50 years ago by a charismatic American President – may well be replicated by Chancellor Merkel’s visionary emphasis on environmental clean energy industries for Germany’s future.

As Angela Merkel prepared to leave Berlin for her summer vacation, she had convinced European leaders to introduce a series of measures to save the Greek economy, strengthen the Euro and the European Union. “Longing for the fanfare of drum rolls or bugles, would be politically negligent,” she said of her most recent accomplishment for Greece and the EU.

***Compassion, sharing, and equality sustain life. This is because we are all one.  
When I care for you, I enhance the harmonious energy of the whole.***

***And that is life.***

*From Tao Te Ching, written for the wise political ruler  
in China, fifth century B.C.*

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