

One of Germany's top businessmen delivers a scathing verdict on the Merkel era

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[Germany's](#) business executives have long kept silent or opportunistically acquiesced to anti-market policies. The boards of major automotive companies, including VW and Mercedes-Benz, applauded the “energy and mobility transitions” initiated by former chancellor [Angela Merkel](#). At the same time, they failed to speak out against Big Government mistakes, such as the European Union's [ban on the combustion engine](#) from 2035.

But now, many have had enough. One of Germany's best-known business executives, Wolfgang Reitzle (formerly of BMW, Ford, and Linde), spoke out in the clearest of terms last week. In an article in the German daily *Die Welt*, he declared, “Germany is in decline.”

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His critique: Productivity improvements have been Germany's hallmark for a long time, but unit labor costs have been rising for years now.

“Germany is no longer among the top ten countries in Europe in terms of gross domestic product per capita,” he writes. “We fell out of the list of the 20 most competitive countries in the world.”

Germany is currently governed by a coalition of two left-wing parties, the SPD (Social Democrats) and the Greens, together with the market-oriented FDP, which is trying to prevent the worst from happening.

Reitzle, however, does not lay all of the blame on this government alone.

Above all, he believes, the decline has its roots in the era of Merkel, who ruled Germany from 2005 to 2021: “16 years under Chancellor Angela Merkel were too much even for a country as strong as Germany,” says Reitzle, adding, “During the Merkel era there was not a single structural reform that would have made the country more efficient. However, two fundamental decisions will have a lasting impact: the energy transition and opening the borders to uncontrolled migration.”

He accuses Germany of having massively expanded its welfare system while failing to invest in the future. For a country as rich as Germany, Reitzle continues, the infrastructure is in a “disgraceful” state. He also criticizes the EU's policy of constantly imposing new regulations on European companies. As an example, Reitzle cites the leading chemical company BASF, which has to contend with 14,000 pages of chemical industry regulations.

BASF recently announced plans to cut thousands of jobs in Germany and invest billions in China. The company blamed its decision on the horrendous cost of electricity in Germany and the excessive red tape and bureaucracy. Many other companies have already announced that they will leave Germany and expand their operations in the U.S. or Asia.

Reitzle criticizes Germany's increasing shift away from market economics, pointing out that the share of the public sector has now grown to 50%: "Faith in the state is increasing — support for the market economy is on the wane." Germany already has by far the shortest annual working hours in the world, Reitzle explains, at 1,349 hours (the U.S. has 1,791 hours). "And we are currently discussing a four-day week," he adds, "if possible with two days working from home for a better work-life balance."

For Reitzle, the fundamental problem is that policymaking in Germany is entirely subordinated to the issue of "climate protection.

"No other country in the world has a more foolhardy climate policy than Germany, which seems to believe it can save the world's climate virtually single-handedly," he writes. Germany has abandoned nuclear power and even shut down perfectly functional nuclear power plants at a time of massive energy shortages. "Electricity is being replaced by nuclear power from France and coal-fired power from Germany, among other sources ... For years to come, we will have the dirtiest electricity in Europe after Poland — and will not make any significant contribution to climate protection," Reitzle says.

The flaw in Germany's energy and climate policy is the maxim "renewables only." Delivering on this policy would mean more than doubling the amount of electricity generated, and doing so quickly. Capacities for wind and solar power would have to be more than quadrupled. Because wind and solar power are highly volatile, we would need huge storage and backup capacities. "However," Reitzle explains, "this is neither technically feasible nor affordable for a country like Germany. It is simply insanity."

In addition to Merkel, Reitzle's criticism is also directed at Economics Minister Robert Habeck of the Green party: "Habeck's 'Renewables Only' plan will fail. He and the Greens, together with a large, quasi-religious community of left-wing environmentalist journalists, are on an ideological journey that can only mean gigantic losses of prosperity in Germany."