

Parthie, Sandra; Eichert, Wolfgang

**Research Report**

## German elections and what to expect for the European agenda

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Sandra Parthie / Wolfgang Eichert

## German elections and what to expect for the European agenda

**While the populist equivalents to the likes of Marine Le Pen's Front National or Geert Wilder's Dutch party are much less center-stage in the German elections, the outcome and thus the impact on the EU is still uncertain. However, all the probable coalitions will not overhaul the current German stance on European politics. But proposals to change the governance of the EU Economic and Monetary Union (EMU) are on the agenda of all parties, of course with very different emphasis.**

























**What do the polls tell us?** In the last so called "Sonntagsfrage", i.e. the question on who would you vote for if elections took place next Sunday, Emnid, a pollster, recorded a clear advantage for the CDU/CSU with 38 percent before the SPD with 25 percent, followed by the Greens, the Liberals (FDP), the Left (Die Linke) and the AfD (Alternative für Deutschland) with 8, 7, 9 and 8 percent respectively. This current arithmetic would realistically only allow for a continuation of the "grand coalition", which neither party is very keen on. Other majorities however do not easily present themselves.

The good news for the EU certainly is that the two largest parties along with at least two of the smaller ones are all running on a pro-European platform. Thus, the outcome will not pose an existential threat to the existence of the EU.

**A newly elected chancellor Merkel will pursue the existing course.** Nevertheless, the CDU/CSU on one side and the SPD on the other are promoting rather different scenarios for the EU. Angela Merkel's CDU/CSU programme for the EU focuses on security, economic growth and stability particularly of the Euro zone as well as on the finalisation of the digital and the energy single markets. The CDU/CSU deplore the declining competitiveness of some EU member countries, which resulted in a continued increase of sovereign debt. They offer solidarity under the condition that states stick to the rules of the jointly agreed stability pact. And while the goal is an improvement and sustained stabilization of the Euro zone, a communization of debt is ruled out.

**Former EP president Schulz focuses on social Europe and anti-austerity.** With Martin Schulz, the SPD advances a candidate, whose European experience is undisputable. His programme for the EU promotes

### Views on reform proposals for the Economic and Monetary Union

	CDU/CSU	SPD	FDP	Greens	Left	AfD
European Monetary Fund						
Euro zone budget						
Euro zone government						
Stability first, investments second						

an anti-austerity agenda, calling for massive investments into education, the labour market as well as in sustainable economic growth via i.a. cross-border infrastructure expansion and environment protection. Social Europe features largely, too, with calls for the development of a European Social Union, fight against social dumping measures, the improved role of Social partners and the strengthening of workers participation rights.

Convergence between the two front runner parties can be found in the idea for creating a European Monetary Fund, in the advancement of the European peace project and the support for establishing a European Defence Union, including European collaboration on defence related expenses.

The re-launch of the Franco-German engine is also a key part of both parties' programmes. While the SPD more generally underlines the special joint responsibility of the two countries for the EU, the CDU/CSU is already more specific, naming convergence, harmonisation of corporate tax and international technology leadership as areas of priority and signals for investors and markets.

But as neither of the two parties is keen on continuing the grand coalition - what alternatives are there to and how would they impact the EU?

#### Liberals aim for cooperation with Conservatives.

One potential coalition partner for the CDU/CSU, sharing their views on EMU, could be the Liberals from FDP. Having been voted out of the Bundestag four years ago, they are now posed for a comeback with consistent poll ratings above the 5 percent threshold. They too are running with a pro-European agenda but are calling for reforms in the institutional set-up, e.g. reducing the Commission college from the current 28 to 16 Commissioners. FDP supports the idea of a multiple-speed Europe, allowing for more integration among willing members, without the need for everyone to participate in every policy. They are aligned with CDU/CSU and SPD in the call for more European defence cooperation and also want to see the advancement of the digital and the energy single market.

### **Green-SPD coalition seems to be far out of range.**

The Greens on the other hand welcome a push for more, notably sustainable, European investments, denouncing austerity measures.

Their programme is also distinctly pro-European with calls for a strengthening of the European Parliament, better overall cooperation of the EU members, in particular with regard to social and ecologic policies. They would be the SPD's best fitting ally. But currently, both parties would not reach the necessary majority to form a government. Speculations over the Greens being open for joining a CDU/CSU lead coalition have been ripe over the past years. But not only would this pairing also be short of a governing majority, a comparison of their programmes does not yield many overlaps or complementary policies anyways.

### **Left and Right will join Bundestag, but remain irrelevant for potential coalitions.**

The Left is calling for a thorough reform of the EU, which it believes is in a deep crisis, neglecting the welfare of its citizens and catering mostly to the interests of neoliberal markets. It calls for an end to austerity measures and instead wants to see a comprehensive European investment programme. The idea of a centre-left coalition on the federal level however is being rejected by important groups in both, SPD and the Left. And, again, together they too would be falling short of a majority.

The right-wing AfD is the only party with a chance to enter the Bundestag that is running on a decidedly anti-European platform. They call for Germany to exit the Euro and for the EU to be turned back into a co-operation of nation states. AfD even advocates for Germany leaving the Union. No other party would be willing to enter into a coalition with AfD (Table 1, Source: election programmes, IW graphic rendering).

**Implications for Europe: disruptions unlikely.** The arithmetic of recent polls do not signal significant political changes from Germany. In terms of the Euro zone, gradual improvement of economic governance

is possible, starting with an enhanced Franco-German initiative. Indeed, the progress of President Macron's in implementing structural reforms will have an impact on the German appetite for deeper integration.

Along with the first significant economic upswing after nearly a decade, recent elections in Europe have shown that pro-European positions become popular again. The already visible negative effects of the Brexit vote and the protectionist policies in the USA furthermore strengthened the European idea also in Germany. Even though the European project as such will not be put into question by any new German government, the debate about the future of Europe and how to keep the EU attractive for its citizens is just getting started.

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