

German Chancellor
Angela Merkel talks with
German Finance Minister
Olaf Scholz before her
speech in the Bundestag
in Berlin, Germany,
Aug. 25, 2021.



In Political Shift, GERMANY TURNS INWARD

AS CHANCELLOR ANGELA MERKEL SAILS OFF ON her farewell tour, buoyed by a wave of accolades for her shift at the helm of Europe, her would-be heirs huddle at home, hashing out Germany's future. In the wake of a historic drubbing at the polls, the conservative parties, the Christian Democratic Union (CDU) and their Bavarian sister, the Christian-Social Union (CSU), are unlikely to figure in that future any time soon. The CDU's decision to send an unsuitable candidate into the fray torpedoed its chances at the polls, but the larger failing was the lack of a suitable program for this federal election. Any notion of what the term "conservative" should mean in the 21st century has escaped this

The Merkel years are done and what comes next isn't clear, says **CARL HOHENTHAL**.

party's grasp. It will probably take a year or two for the CDU to recover some sense of identity.

The next chancellor, Social Democrat Olaf Scholz, has little to fear from the CDU as opposition party. For now, this toothless tiger is unlikely to offer much in the way of resistance. Even so, Scholz's situation is no bed of roses. Unloved by his party, the SPD, before his victory because they thought he was too much leaning to the right, he has a thorny relationship with the left wing, which calls the shots. These leftists showed remarkable tactical restraint during the election campaign, but are now raring to make their demands.

Perhaps the adage about no one being able to

govern against the will of the chancellor will hold true, but doubts are in order. Scholz will be saddled with two coalition partners, the Greens and the Liberals, who are determined to ride their political agendas home. The former put in their strongest showing yet; the latter bounced back from oblivion, sidelining the mainstream SPD and CDU. Those are no longer Volksparteien—parties who represent the vast majority of the people. Their power has diminished to the point where the tail, the coalition partners, could well wag the dog, the SPD.

In the run-up to the talks under way now to form a new German government, the SPD, the Greens and the Liberals agreed that tax hikes and new debts are no-goes. Yet they are equally unwilling to reform the pension system. They do want a lot of climate action and heavy investments in Germany's infrastructure, but how exactly they intend to spend so liberally without borrowing money or raising taxes is anybody's guess.

Germany will have a government preoccupied with negotiating the ways and means of cooperation in a tricky coalition while the navel-gazing opposition explores the self on the couch of its political therapists.

What does this mean for Germany's face to the world? Foreign, defense and European policies were non-issues in the election campaign. No one talked about them; journalists did not ask.

In the next few years, Germany is unlikely to assume the leading role in Europe that it is so often urged to play. It simply has too many domestic woes to worry about. The pandemic, the election campaign and the botched Berlin election are stark reminders that merely keeping calm and carrying on does not fix problems. The pandemic exposed glaring shortcomings in the administrative and education systems. Heavy rains battered western Germany in July, the consequences of which were catastrophic when flood warning systems failed to alert the populace. This too was a failure of administrative oversight. Germany's sluggish digital transformation is a wellspring of mirth and merriment. The farce that is Berlin's new airport has also given the world much to chuckle about, even if its opening, 10 years late and laced with epic defects, is more tragedy than comedy. And the city's chaotic local election, marred by serious irregularities such as missing and misdelivered ballots, raised eyebrows—and questions about Berlin's democratic institutions dying at the roots.

All these failings must be addressed. The parties have promised to do so, but who can say if they will

succeed. "Everything must change for everything to remain the same." That famous line from Giuseppe Tomasi di Lampedusa's novel *The Leopard* captures the dilemma of German politics. The talk about major changes and reforms never stops, but perfect silence prevails as to exactly what this will entail. The usual buzzwords about climate action, health, education and social justice pepper all parties' platforms, but the political fog obscures the paths to these goals. The trailblazers who could point the way have yet to be found. And even if such rare political talent emerges, their ability to lead is untested.

This is not just a power shift; the personnel carousel is also turning. An entire generation is getting off the merry-go-round with Merkel. The CDU wants to elect new leaders across the board, and the younger generation wants to take the reins. The conservative party's roster will look very different in two years. Nearly half of the SPD's future Bundestag members are first-timers, and one in two is younger than 40.

Fresh ideas about politics will be moving in with them. Skepticism over free market economics has grown in recent years. The Greens successfully contested their election campaign with a bouquet of proposals for government bans and fiats. Berlin held a referendum about the wisdom of expropriating major housing corporations; 59% of voters said, yes, please. Berlin is not Germany, but there was a lot of affinity throughout the country for Berliners' sentiments. The liberal Free Democratic Party talks the talk, opposing the call for stronger government, but walking into the next government matters more to the FDP. It is not wildly improbable that Germany will become somewhat less free-market-minded in the next few years.

This will have consequences for Europe. EU countries have long grappled over fiscal and debt policies. Germany and the ever more market-minded UK had been able to keep the Club Med tag-team of France and Italy in check. Now Britain has left the ring and Germany is on its back heel. Italy and France's object of desire, a European fiscal union where debt is merged, looks a lot less unlikely these days. Germany's voice will probably carry less weight in matters of migration, social and labor policy, and the other big issues facing Europe. Anyone expecting vociferous advocacy for a European defense policy is sure to be disappointed. Support for military spending and offshore deployments is at a low ebb in the wake of the Afghanistan debacle.

The Merkel years are definitely over. It remains to be seen if remarkable Scholz years will follow. ♦

**BERLIN HELD
A REFERENDUM
ABOUT THE
WISDOM OF
EXPROPRIATING
MAJOR HOUSING
CORPORATIONS;**

59
PERCENT
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YES, PLEASE.

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