



Trying Times Ahead for Germany

BRUNSWICK

A political shockwave has rocked Germany's foundation. With the mainstream parties CDU/CSU and SPD incurring landslide losses and the populist AfD and liberal FDP set to enter the Bundestag, smaller parties will, for the first time in post-war history, be a major political force in the German parliament. While Angela Merkel is likely to remain chancellor, her position has been gravely weakened.

Forming a new government will not be easy given the incumbents' weakness and the other parties' strengths. This will take some creative finesse on Merkel's part, so winter may arrive before Germany's new government is in place. The Greens' success is nothing short of astonishing. Although the party had not expected to fare so well, it will seize this opportunity to ratchet up the pressure. The power and

automotive industries are likely to feel the squeeze of more rigorous environmental policies. The liberals' return is sure to inspire hopes of business-friendlier policies among entrepreneurs. It is as yet unclear what, exactly, this will entail. The FDP will be reluctant to welcome French President Macron's wishes for German financial support (Eurobonds).

[A detailed view on the outcome of Germany's Bundestag election:](#)

1. Landslide losses for mainstream parties CDU/CSU and SPD

Called the 'people's parties' by Germans, the mainstream Union and SPD both suffered dramatic losses in the Bundestag elections. The conservatives picked up 33.0 percent of the vote, while 20.5 percent went to the social democrats. The CDU/CSU and SPD's grand coalition hemorrhaged a life-threatening near-15 percentage points. This is tantamount to an electoral quake for Germany, and the shockwaves are sure to have an enduring impact on the Republic's political system.

Chancellor Angela Merkel has nonetheless staked her claim: she intends to head up the new government. The German system of proportional representation is not too well known to foreigners. It's not about coming out of an election as the strongest party but about being able to negotiate an absolute majority and form a functioning coalition.



This is Merkel's task now: she wants to talk with Liberals, Greens and Social Democrats.

The SPD's top candidate Martin Schulz says his party aims to pull the plug on the grand coalition. The frustration of the Social Democrats is understandable but it remains to be seen if the party will be able to refuse participation in a new government. After all they are the second strongest party. And parts of the party might call on their democratic responsibility.

The right-wing populist AfD is to enter the Bundestag for the first time with 12.6 percent, and will become the second-strongest opposition party if the SPD makes true on its vow to bow out of government. The pro-business FDP managed to rejoin parliament with 10.7 percent of the vote. The CDU/CSU is now set on negotiating a federal coalition with the Greens (8.9 percent) and the FDP.

The campaign in the run-up to the Bundestag elections was all about Germany's refugee policy. Voters punished the ruling CDU/CSU and SPD for its stance, and particularly for Chancellor Angela Merkel's "welcome culture." The conservatives lost around a million voters to the AfD, which had railed against this refugee policy during the campaign. Some 470,000 voters abandoned the SPD to join the right-wing populists' camp.

2. If the SPD jumps ship, Angela Merkel will try to float a Jamaican coalition

Although the CDU/CSU remains the far strongest faction in the Bundestag, the party's losses have undermined the current chancellor. If the SPD's decision proves final, Angela Merkel has but one choice if she wishes to remain in office: the Jamaican coalition of CDU, CSU, FDP and Greens. The expression "Jamaica" refers to the colours of the Jamaican flag: Black (CDU/CSU), Green (Greens) and Yellow (FDP).

A tripartite alliance is unprecedented at the federal level, and this one may be a longish shot. The ideological differences among the parties are glaring. Even so, their leaders have already indicated their willingness to talk constructively about forming a government. The downside for Merkel is that the Union would have to make major concessions to the Greens and the FDP. This is likely to diminish the chancellor and CDU chair's authority within the party, with much wrangling over the successor sure to follow. Another Merkel term after the next Bundestag election would have been frowned upon by the Union; after this election result, it appears unthinkable.

Chances are that a similar fate awaits the CDU's Bavarian twin. The CSU is agonizing over the worst result in its history in this Bundestag election. The CDU sibling's performance is likely to spark a debate over a possible successor to party leader Horst Seehofer. "Those who wish to are welcome to talk about me or turn words into deed," said Seehofer on election night. With a view to the AfD's performance, he demanded that the Union close its "right flank". And the CSU





will certainly be keen to defend its absolute majority in next year's Bavarian parliamentary elections.

3. Germans veto Martin Schulz as their chancellor

The worst result in the SPD's history would suggest that Germans have little faith in top candidate Martin Schulz's suitability for the office of chancellor. Schulz's tenure as party leader may be short-lived. Shortly after the election, Schulz was very vocal about quitting the grand coalition. However, observers expect that the social democrats are in for a hot debate over their party's direction and leadership. It remains to be seen if the resounding 'no' to the grand coalition will stand.

4. Voters spurn the grand coalition and give small parties their vote

It was an election of firsts: The Federal Republic of Germany has never had a seven-party parliament, but now the CDU, CSU, SPD, Greens, FDP, Left Party and AfD will all be represented in the new Bundestag. It marks the AfD's debut and the FDP's return, but the real surprise for many experts was the Greens' performance. Out of the blue, it achieved one of its best results in Bundestag elections. The Greens could well join the new government.

The other parties and the media expect little in the way of constructive policymaking from the AfD, with confrontation and provocation likely to feature prominently in its opposition tactics. "We're going to hunt down Mrs. Merkel and get our country back," said one of the party's leaders on election night. Time will tell if the AfD is capable of participating in parliamentary politics. The populists' electoral success suggests that Germany is in a similar position to its European neighbors, where populists have long had a voice on the political stage. The AfD has to fill more than 80 seats in the Bundestag. That should prove difficult. Nonetheless, the AfD has consolidated its base with this result. The party is now represented in 13 state parliaments.

The FDP succeeded in returning to the Bundestag after its 2013 debacle. This means that parliament once again has a business-minded political force in its ranks. Led by Christian Lindner, the liberals may even play the queenmaker, earning a spot on the government frontbench for its troubles.

The Linke (9.2 percent) posted its second-best result ever, establishing the far-left party as a stable force in the Bundestag. A renewed debate on an alliance with the SPD and Greens is expected to take place, the goal being to oust the CDU/CSU from the chancellor's office in four years at the latest.

The Greens racked up an astonishing 8.9 percent. Plagued by a lackluster image, the party had struggled to put its stamp on the campaign. Now the Greens could form the new federal government in league with the FDP and the CDU/CSU.

5. Germany's foreign policy will remain rock-solid even under a Jamaican 'flag'

Germany is sure to remain a stabilizing factor in the European Union even with a government composed of CDU/CSU, FDP and Greens. Although the parties do not see eye-to-eye on major points of European policy such as Eurobonds and efforts to rescue Greece, there is a consensus among all three parties that Germany must continue to be a reliable partner in foreign affairs. They also share the conviction that Germany and France have jointly to lead Europe and advance the European cause. "We must hold the EU together and build a strong Europe," said Merkel on election night. The Greens and the FDP would have no qualms about initialing that line on a coalition agreement.

Trying months of exploratory talks lie ahead for Mrs. Merkel, with coalition negotiations likely to last well into November. It remains to be seen if a constructive government alliance will emerge from these deliberations. One thing, however, is certain: Merkel will do everything in her power to put off new elections.

About

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