

The Human Factors in German Politics

BRUNSWICK



Germany's imperturbable chancellor Angela Merkel rode out a stormy government crisis, but the winds of change are sweeping the next generation of policymakers into power. And this new group of hopefuls is pro-European.

The coalition deal is done; the political plums have been doled out with new ministers taking office. Now chancellor Angela Merkel is to be heard chanting the mantra of a "new dynamic for Germany." The public, however, greeted the CDU, CSU and SPD's reprised joint government with shrugs rather than hugs. Expectations have flat-lined. There is a hint of Biedermeier in the air—that early 19th century period when the middle class's mistrust of authorities gave rise to political apathy. Back then, the disenchanting bourgeoisie turned to private pursuits for distraction. Today, skepticism again clouds Germans' views of the nation, Europe and the world.

It is a baffling paradox. A booming economy has tax revenues gushing and unemployment at a record low. Yet many citizens are dissatisfied. The beneficiaries of this disgruntlement are far left- and right-wing parties that agitate against elites, politicians, Europe and globalization.

The simple political life in Berlin has grown complicated. It took six months to form a government, a deadlock unprecedented in the Federal Republic's history. Although Angela Merkel was reelected for a fourth term, the subsequent haggling left her looking drained rather than energized. Her standing has suffered. Merkel's reputation and authority took a hit when her party managed to win just 33 percent of the vote. Her bid to form a government turned into a political rollercoaster ride, further eroding her position. The consensus among pundits is that a generational change is in the offing.

Has Merkel read the writing on the wall?

Politicians' track record is woeful when it comes to bowing out gracefully. Two decades ago, Helmut Kohl ignored the signs of the times and stood for reelection after a 16-year chancellorship. He lost. The conservatives' ship foundered, but Angela Merkel surfaced to refloat the boat. This lesson in sinking and swimming should have taught Merkel the perils of overestimating oneself. And perhaps she did learn something from Helmut Kohl's shipwreck. Merkel has rejuvenated her team with up-and-comers. She even appointed to her cabinet one youngish politician with a very different political style to hers. Many in the CDU are pinning

their hopes on Jens Spahn, a former state secretary in the finance ministry and now the new health minister. This 37-year-old firebrand is hot-tempered, conservative and business-friendly.

Another staffing decision suggests that Merkel may have a succession plan. Annegret Kramp-Karrenbauer was elected the CDU's new general secretary. A close friend of Merkel's, this 55-year-old politician has a successful stint as governor of Saarland, a small state in the west, to her credit. Like Merkel, Kramp-Karrenbauer is firmly anchored in the political center. She is keen to hold that center by accommodating the party's left and right wings.

Pretenders they may be, but neither Spahn nor Kramp-Karrenbauer can be sure that Merkel will relinquish the throne. The CDU's chairwoman still holds the reins tight as ever. Not a hint of an endorsement has crossed her lips. If the debate over her succession does not subside, it may overshadow the real political issues. Perceptions matter—Merkel could then be seen as being a problem rather than Europe's most powerful woman.

Will the troubled coalition partner SPD become a pitfall for Merkel?

Germans call the CDU/CSU and SPD 'people's parties'. They also have a term to describe a ruling alliance formed by these mainstream political forces—a 'grand coalition'. The SPD took just 20.5 percent of the vote in the last Bundestag elections. The poor showing at the polls casts doubt on its claim to be a true people's party—clearly, it no longer represents a broad swath of the population. In some state elections, the SPD fell even further from voters' good graces. The party is divided. With captains coming and going, it has lost its way. And its lack of self-confidence is glaring. Social democracy in Germany, as in other European countries, is struggling to survive.

„Nahles versus Merkel - this is shaping up to be an exciting duel in the months ahead“

Martin Schulz, its prime candidate in the last election, was once the respected president of the European parliament. He bravely stepped up to bat, but struck out three times in the space of a few weeks—as a campaigner, as a party leader and, in a near miss, as the nominal foreign minister. Shouldering the responsibility for the election's outcome, in early February 2018, he vacated the chair of a party beset by internal quarrels. A posting as foreign minister could have thrown him a political lifeline, but his own party urged him to let go rather than take office. His was a meteoric rise and epic fall in fast motion.

The heir apparent, former labor minister Andrea Nahles, is now to lead and revive the party. It's a first in the country's history for the two largest parties to be led by women.

Nahles versus Merkel—this is shaping up to be an exciting duel in the months ahead. A post-election vote heaved Nahles into the office of the SPD's Bundestag whip. Free of the constraints imposed by membership in Merkel's cabinet, she has far more leeway to take political stances as she sees fit. This 47-year-old woman is a forceful, assertive politician. The consensus in the SPD is that Nahles will lead the party into the next Bundestag election as its top candidate. The fact that the Social Democrats are a step ahead of the CDU in this matter could prove to be a strategic advantage when the race heats up.

The Conservatives are conspicuously reluctant to mock their political opponent's weakness—for two good reasons. For one, they too dread the prospects of a nose-dive like the Social Democrats' fall from grace. For the other, they realize that governing with this ally—a frail shadow of what was once a formidable foe—will not be easy. The new government's ministers for foreign affairs, finance, environment, family affairs, labor and justice are all Social Democrats. These six key positions wield real political clout, so the Conservatives certainly paid a high price for this coalition. Many within the twin parties CDU and CSU chafe at what they see as the SPD's unearned spoils and blame their leaders Angela Merkel and Horst Seehofer for endorsing what they feel is a raw deal. The economics, defense, health, agriculture and research ministries went to the CDU, as did the chancellery. The CSU heads up the ministries of interior affairs, transport and development aid. A CSU politician also serves as minister of state in the chancellery, coordinating the government's digital policy.

Tough times lie ahead for the chancellor. The SPD may well try to make an alternative political alliance of Social Democrats, Greens and *Die Linke* palatable. The latter translates to The Left, a euphemism for a party that is, at heart, communist. Such an alliance would be short of a majority now, but an early collapse of this government and new elections could change the balance of power.

Seven parties—the CDU, CSU, SPD, AfD, Greens, The Left and FDP—are now represented in the Bundestag. In Germany, the parliament elects the chancellor by a simple majority. If the current political trend maintains its momentum and the CDU, CSU and SPD's popularity continues to wane, a majority in the next federal election is no sure thing. To clear the 50+ percent hurdle in the path to the chancellorship, the ruling coalition would have to be at least a quadripartite alliance. It could even come down to a minority government that would have to lobby for a majority vote on every issue. Both of these political scenarios are unprecedented at the federal level. The political system would be put to a test it has never before faced.

Is the new government pursuing a new political agenda?

If the coalition agreement is anything to go by, Germany will lean more to the left. The SPD got its way in that a lot of

money will be spent on welfare over the next four years. Workers' rights will be strengthened further; business interests not so much. One exception is energy policy, where realism and pragmatism have prevailed. The new government pushed back the 2020 deadline for climate targets and now aims to make good on its international commitments by 2030. It also reined in the headlong rush to exit from coal production, with the next steps to be determined by a coal commission. Peter Altmaier, a close confidante of Angela Merkel, is the new federal minister for economic affairs and energy.

„A trade war could spell disaster“

The government is keen to make major strides in digitization, for example, with a large-scale initiative to bring broadband Internet to the masses. Investments in education, research and the Bundeswehr figure prominently on its agenda. The CDU and SPD see eye to eye on defense policy and have agreed to assume greater responsibility abroad. Arms exports, however, will be further restricted in a move that is likely to blunt the German defense industry's competitive edge on the global market. The government's policy on refugees remains a flashpoint. Despite its intentions to invest billions, the new coalition is clinging to notions of a 'black zero'—that is, a balanced budget with the bottom line being in the black. Tax hikes have been ruled out, so some economists believe the chances of the budget ending up in the black are indeed close to zero.

Experience teaches that many political challenges find their way onto the government's agenda practically overnight, as the past decade's euro, Brexit and refugee crises go to show. Europe and Germany now face another serious problem that the coalition agreement failed to anticipate—protective tariffs imposed by US president Donald Trump. A trade war could spell disaster for the global economy and lay waste to many jobs.

What can Europe expect of Germany?

European policy is a potential minefield for the coalition. The CDU and CSU insist on rigorous austerity measures and a stability pact, while demanding an end to the ECB's low-interest policy. The SPD, on the other hand, is not averse to Eurobonds. It too is calling for an end to a fiscal policy—the austerity forced upon financially ailing countries—and for Germany to invest more, for example, to combat Europe's youth unemployment. The Social Democrats are likely to press Angela Merkel on these issues, perhaps with a little added push from French president Macron. The CDU, CSU and SPD are of one mind when it comes to "fair taxation" of major digital companies such as Google, Apple, Facebook and Amazon. The coalition agreement also stipulates measures to counter tax evasion. The previous government had already pursued international initiatives (EU/G20/OECD) to this end.

Who are the politicians to watch?



© Picture: Peter Kerkrath

Annegret Kramp-Karrenbauer (CDU) is the CDU's new general secretary. With a political style resembling Angela Merkel's, she is seen by many as a potential heir apparent.



© Picture: Jens Spahn

Jens Spahn (CDU), the new health minister, has mastered the political art of playing both sides against the middle. He embodies the CDU's conservative values and is part of the party's business-friendly wing. Many junior politicians would like to see him installed as the party's leader.



© Picture: Shutterstock/Peter Altmaier

Peter Altmaier (CDU), the new economic affairs minister, is Merkel's confidante. Lately, his name has been bandied about in the media as a possible successor to Jean-Claude Juncker, president of the European Commission.



© Picture: ToKo

Dorothee Bär (CSU), an up-and-coming young CSU politician, is to coordinate the government's digital policy and was appointed minister of state in the chancellery to this end. This important office is not without its complications. Her bailiwick is hardly straightforward with nearly all ministries having a hand in the digital transformation of their domains.



© Picture: Susie Knoll

Andrea Nahles (SPD), the SPD's new leader and parliamentary whip, has two tough tasks to tackle: She must nurse the SPD back to robust health while staking her claim as the party's next chancellor.



© Picture: Dominik Butzmann

Heiko Maas (SPD), former justice minister, was not a heavyweight contender. Before he could rise through the ranks on his own power, he was swept to the top in the wake of the SPD's crisis. Now he has to prove himself as foreign minister, a role well played by his predecessors Sigmar Gabriel and Frank-Walter Steinmeier.



© Picture: Dominik Butzmann

Olaf Scholz (SPD) wishes he could be the antithesis of Schäuble, but the new finance minister is also expected to play hardball when representing German interests in Europe. He will also be judged by his ability to keep the budget balanced despite the billions earmarked for investment. The 'black zero' was his predecessor Wolfgang Schäuble's signature accomplishment.

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