



EUROPEAN POLICY ANALYSIS

Germany goes to the polls: how will its EU policies change?

Valentin Kreilinger*

Summary

Germany holds its federal election on 26 September 2021. What is likely to change in the country's EU policies under a new government? How would the potential governing coalitions deal with key EU policy questions? It is currently difficult to predict which parties will be in government and which in opposition: public opinion is volatile and numerous coalitions are possible and plausible. What is clear, however, is that the composition of the next governing coalition will make a difference for how individual EU policies are pursued.

In this European Policy Analysis, Valentin Kreilinger briefly examines what the electoral manifestos of the main political parties promise in European affairs, and sets out the course Germany's EU policies are likely to take in five different coalition scenarios. These are identified after looking at the coalitions that currently exist at the regional level. Which of these five configurations will govern depends on the result of the ballot, and on who can command a parliamentary majority. The election is likely to be followed by lengthy exploratory talks and coalition negotiations, before a vote in the Bundestag ultimately determines whether Armin Laschet, Olaf Scholz or Annalena Baerbock will be the next Chancellor.

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Introduction

After sixteen years in office, Angela Merkel is not standing for re-election on 26 September 2021. Although her Chancellorship has been marked by multiple crises, she embodied stability and prosperity for her country and influence in Europe and the world. But times have changed dramatically. In this respect, Germany is facing a decisive election, and one whose outcome is difficult to predict even four weeks in advance because the polling numbers are constantly shifting. This is due to an increasingly fragmented party system which creates more political uncertainty.

European issues have never been a high profile or controversial topic in German federal elections. They have become slightly more important in domestic debates than they once were, but in contrast with recent French and Italian elections European affairs have not dominated a national electoral campaign. This is also true for 2021. Although the EU has taken unprecedented measures to fight the pandemic, for example raising common debt and jointly procuring vaccines against COVID-19, the differences between the mainstream parties remain narrow. The far-right Alternative für Deutschland, however, has challenged the other parties with its Eurosceptic stance.

The overall question examined in this policy analysis is: what is likely to change with respect to German EU policies under a new government? This paper examines how one can expect different governing coalitions to deal with some key EU policies and how the election on 26 September 2021 could therefore affect the Future of Europe.

At this stage any of the three main candidates – Armin Laschet (CDU), Olaf Scholz (SPD) and Annalena Baerbock (the Greens) – could become the next Chancellor, because the election result could easily deviate a few percentage points from current opinion polls in one direction or another. After the election, the negotiation skills of the three candidates will determine which of them is able to build a stable coalition with a majority in the Bundestag. In this respect Germany is becoming

more like its neighbours and in particular more like Nordic countries, where the party of the Prime Minister often obtains (only) around 25% of the votes.

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This paper proceeds in six steps: Section 1 briefly examines continuity and change in German EU policies, and section 2 describes the German electoral system. The following sections analyse the challenges for the Future of Europe (section 3) and the dividing lines between Germany's political parties in European and international affairs with a particular emphasis on their electoral manifestos for the 2021 election (section 4). Finally, section 5 explores different coalition scenarios and their impact on EU affairs before section 6 briefly discusses the leadership expected from a German Chancellor at the EU level.

1. Continuity and change in Germany's EU policies

The three candidates for Chancellor, Armin Laschet, Olaf Scholz and Annalena Baerbock were recently asked “which capital would you, as the next German Chancellor, visit immediately after your election?”. Laschet did not give a clear response, Scholz chose Paris while Baerbock replied “Brussels”.¹ Traditionally, the first trip abroad has been to Paris, so visiting the EU institutions first would send an important signal, but the Franco-German friendship is still expected to be high on the agenda of a Green Chancellor.

Besides personality and leadership style of the next Chancellor, and how he or she interacts with other European leaders, the composition of the government matters. Except for the period from 2009 to 2013 when the Liberals were their junior

¹ Reifenrath, I. (2021), Zwischen Dialog und Härte, tagesschau.de, 26 June 2021, <https://www.tagesschau.de/inland/aussenpolitik-kanzlerkandidaten-muenchner-sicherheitskonferenz-fragerunde-101.html>.

coalition partner, Merkel's CDU/CSU governed with the Social Democrats in a Grand coalition (from 2005 to 2009 and again from 2013 to 2021).

The EU policies of reunified Germany have been marked by continuity and change. The successive Merkel governments between 2005 and 2021 were often criticized for not developing a vision for Europe. Emmanuel Macron's Sorbonne speech in 2017 remained without a German response.² Although the Meseberg Declaration (2018) and the Aachen Treaty (2019) did not match French ambitions, they did manage to gradually shift German thinking towards more openness regarding integration and cooperation. The EU's recovery fund, finally, is the result of a Franco-German consensus.³

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Instead of a detailed history, this section now provides just a few more reflections on Germany's EU policies in a longer perspective. In the Euro crisis, Germany has been described as a "reluctant hegemon"⁴ whose pre-eminence is largely economic, under domestic constraints and politically contested – even in this area. But there is remarkable continuity from the beginnings of Germany's post-war European policy to the present: within this framework the country has been able to manage and help overcome the crises of the EU. For example, in response to the COVID-19 crisis, Germany abandoned its ordoliberal principles and accepted joint debt. This can be understood in the context of Germany's long-term support for

communitarisation and supranationalisation, and its overarching interest in maintaining European integration and the cohesion of the EU-27.

Germany's EU policies will certainly not change fundamentally after the election on 26 September 2021 – continuity will prevail regardless of who will be the next Chancellor and which parties will form the next government. But EU policies are nevertheless likely to evolve differently under different coalition scenarios; it does make a difference who governs.

2. Electing the Bundestag, building a governing majority

Building a stable governing majority is key for being elected Chancellor. Although constitutionally possible, there has never been a minority government at the federal level. In this respect Germany is quite different to Scandinavian countries.

Germany uses a mixed-member proportional system for electing its MPs. The current, rather complicated electoral law is the outcome of both inter-party bargaining and judgements from the Federal Constitutional Court. Unlike parliaments in almost all parliamentary democracies, the German Bundestag does not have a fixed number of MPs. In 2017, 709 MPs entered the Bundestag – more than ever before and well above the regular number of 598 MPs. This increased number is the result of a change in voting patterns, a transformation of the party system (seven parties entered parliament in 2017 compared to five in 2013) and an asymmetric distribution of votes which has led to a high number of additional seats.⁵

The Federal Republic of Germany witnessed a complete change of government only once, in

² Engberg, K. (2019), The Franco-German dialogue on the future of the EU. European Policy Analysis, 2019:3epa. Stockholm: SIEPS, https://www.sieps.se/globalassets/publikationer/2019/2019_3epa.pdf.

³ Müller, P. (2020), Merkel and Macron Find the Strength for Europe, DER SPIEGEL, 22 May 2020, <https://www.spiegel.de/international/europe/merkel-and-macron-find-the-strength-for-europe-a-fe604bfe-5cb1-4d88-8cf5-6baba0939fdc>.

⁴ Bulmer S., Paterson, W. E. (2021), Germany as the EU's reluctant hegemon? Of economic strength and political constraints, Journal of European Public Policy 20(10), 1387-1405.

⁵ Kreilinger, V. (2020), Downsizing the Bundestag, LUISS School of Government Working Paper Series No. 60, <https://sog.luiss.it/news/2020/05/27/downsizing-german-bundestag>.

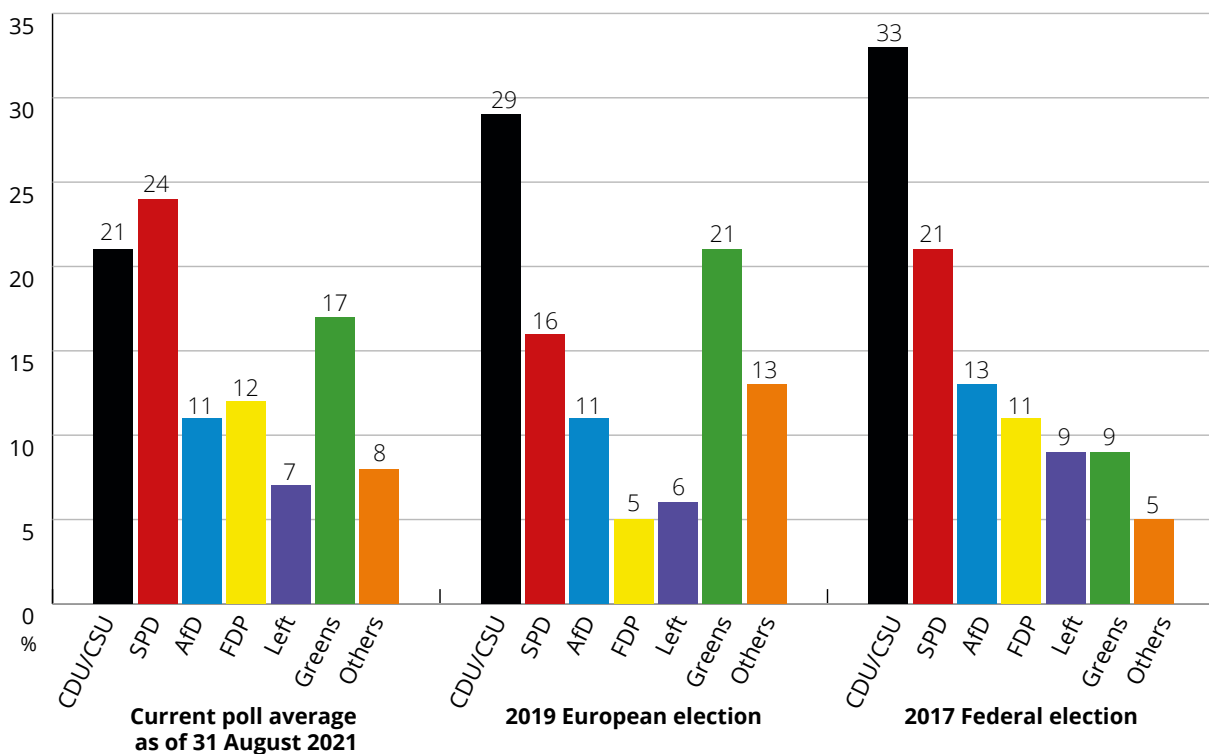
1998, when Helmut Kohl's government of CDU/CSU and FDP was replaced by Gerhard Schröder's coalition of SPD and Greens. In all the other cases one of the previous coalition partners remained in power across a change of government. And this year, for the first time since 1949, the incumbent chancellor is not running, having announced her departure from the political stage.

Current opinion polls put CDU/CSU and SPD neck on neck, with the Greens in third place (see Figure 1).

To become the next Chancellor, one of the Spitzenkandidaten (or Kanzlerkandidaten) must secure a majority when the vote takes place in the Bundestag. It is not decisive if a party comes first or second: In a three-party government just 20% of the votes could be sufficient for for Armin Laschet (CDU), Olaf Scholz (SPD) or Annalena Baerbock (Greens) to build a majority and succeed Angela Merkel (see Figure 1).

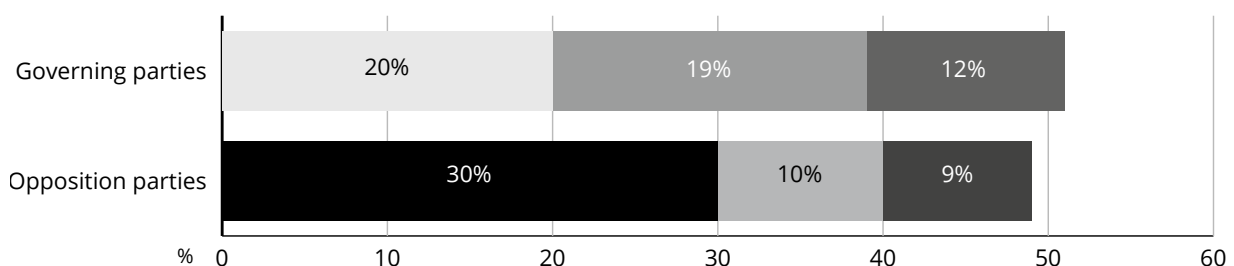
This shows that forming a coalition government and building a majority are decisive, because no

Figure 1: Opinion polls and election results



Source: Own elaboration, POLITICO Poll of Polls.

Figure 2: How 20% of the votes could suffice to become Chancellor



Source: Own elaboration. Extreme scenario, not based on current opinion polls.

party will, on its own, obtain more than half of the seats in the Bundestag and, as stated above, there is no tradition of minority governments in Germany. The stakes in a federal election are high: the regions participate in the federal decision-making process and have veto powers in many policy areas, but most key competencies lie with central government.

3. Challenges for the Future of Europe

There are many pressing European issues that a new governing coalition in Berlin will have to address. In addition, the domestic responses of the next German government will have European implications. For instance, Germany's post-pandemic fiscal and economic policies, its fight against climate change, the country's role on the international stage and its relationships with Russia and China are just some of the areas in which domestic decisions in Germany will have a profound impact on the EU.

The current German government agreed to suspend the Stability and Growth Pact in April 2020. But the question of how the pact will be reinstated, and what reforms it might have to undergo is one of the issues that can divide Northern and Southern member states (again). Here the positioning of Germany will be decisive, but it will also matter how the government deals with the constitutionally enshrined debt brake, required by the Fiscal Compact.

Germany has already strengthened its fight against climate change, after a ruling by the Federal Constitutional Court in April 2021. In reaction to the floods in Western Germany in July 2021, the topic has become yet more important. Besides the negotiations on the "Fit for 55" package between the Council and European Parliament, individual measures taken by the next government will impact the EU's overall carbon footprint.

In foreign policy Germany has shown self-imposed constraint. But the country's economic power, and interdependence with Russia and China for energy supplies and exporting industrial goods have repeatedly alienated some of its European partners and the United States, for instance with respect to

North Stream II (despite the recent understanding between the Biden administration and Germany). The policies pursued by the new governing coalition will to some extent shape how the EU is able to act. But German *Europapolitik* also matters: how will Germany pursue the EU's aim of strategic autonomy? In terms of decision-making in European foreign policy, one also wonders whether Germany is willing to accept being outvoted by its EU partners if decisions were taken by qualified majority.

"[...] the country's economic power, and interdependence with Russia and China for energy supplies and exporting industrial goods have repeatedly alienated some of its European partners and the United States [...]"

Beyond external action, internal reforms will be on the EU's political agenda in the coming years. Here three key questions are related to the Conference on the Future of Europe, EU governance and treaty change.

Firstly, what ambitions will the new government in Berlin have for the Conference? In the Franco-German non-paper of December 2019, Germany signed up to an ambitious outline but later failed to reach an interinstitutional agreement during its Council Presidency.

Secondly, is Germany able and willing to cede more sovereignty to supranational institutions? For many years, the country preferred intergovernmental solutions in the area of fiscal and economic policies, but in 2020 it proposed to integrate the EU's recovery fund into the Community budget.

And thirdly, does the country want to embark on changing the EU treaties, or is it slowly "becoming Eurosceptic"⁶ and putting its own national interest first? Even though formally the EU treaties had their last substantive change with the Treaty of

⁶ Leonard, M. and Puglierin, J. (2021), How to prevent Germany from becoming Eurosceptic, European Council on Foreign Relations Policy Brief, June 2021, <https://ecfr.eu/publication/how-to-prevent-germany-from-becoming-eurosceptic/>.

Lisbon in 2009, the functioning of the EU has evolved considerably since then⁷, and often at Germany's insistence. But beyond the vague idea of creating a European Health Union, raised by Chancellor Merkel as an area where treaty change could become necessary⁸, the country has followed many other member states in their reluctance to endorse the possibility of treaty change in the wake of the Conference on the Future of Europe.

Although this was not a complete overview of the challenges that the EU faces, a lot will depend on how the next government addresses these issues, on whether it adopts a wait-and-see approach or if the next Chancellor pushes forward bigger domestic and European initiatives. The Conference on the Future of Europe is scheduled to enter its final phase during the French Council Presidency in the first half of 2022 – shortly after the new German government takes office.

4. Dividing lines on the political spectrum in European and international affairs

The main political parties are aligned with their respective European party families and often play a decisive role within them: The Christian Democratic Union (CDU) and its Bavarian sister-party, the Christian Social Union (CSU), dominate the European People's Party (EPP); the Social Democrats (SPD) have considerable weight within the Party of European Socialists (PES); the Alternative für Deutschland (AfD) is a member of the far-right Identity and Democracy group in the European Parliament; the Free Democrats (FDP)

are part of the Alliance of Democrats and Liberals (ALDE) while the Left Party (Die Linke) is a member of the European Left and Alliance 90/The Greens belong to the European Green Party.

“Germany's federal governments have always endorsed European integration and international cooperation, but there are substantial differences between the parties [...]”

Germany's federal governments have always endorsed European integration and international cooperation, but there are substantial differences between the parties that have been part of a government and particularly with those that have remained in opposition. So according to their electoral manifestos for the 2021 federal election, what do CDU/CSU, SPD, AfD, FDP, Left Party and Greens want when it comes to European integration?⁹

CDU/CSU uses a phrase coined by Jean-Claude Juncker, “weltpolitikfähig” (capable of world politics). It argues that Europe must become more capable of action, more courageous and more determined. The EU must come to common positions faster than before and implement them effectively. For example, CDU and CSU demand majority decisions in European foreign and security policy. Within the framework of the European Defence Union and Permanent

⁷ Södersten A. (ed.) (2019), The Lisbon Treaty 10 years on: Success or Failure? 2019:20p, Stockholm: SIEPS, <https://sieps.se/en/publications/2019/the-lisbon-treaty-10-years-on-success-or-failure/>.

⁸ Zalan, E. (2021), Merkel ‘open’ to EU treaty change on health, EUobserver, 22 April 2021, <https://euobserver.com/democracy/151627>.

⁹ The parties are sorted depending on their election result at the last federal election in descending order.

- CDU/CSU: <https://www.csu.de/common/download/Regierungsprogramm.pdf>,
- SPD: https://www.spd.de/fileadmin/Dokumente/Beschluesse/20210301_SPD_Zukunftsprogramm.pdf,
- AfD: https://cdn.afd.tools/wp-content/uploads/sites/111/2021/06/20210601_AfD_Programm_2021_ONLINE.pdf,
- FDP: https://www.fdp.de/sites/default/files/2021-06/FDP_Programm_Bundestagswahl2021_1.pdf,
- Left Party: https://www.die-linke.de/fileadmin/download/wahlen2021/Wahlprogramm/DIE_LINKE_Wahlprogramm_zur_Bundestagswahl_2021.pdf,
- Alliance 90/The Greens: https://cms.gruene.de/uploads/documents/Wahlprogramm-DIE-GRUENEN-Bundestagswahl-2021_barrierefrei.pdf

Structured Cooperation (PESCO), an EU military headquarters should be set up, and joint European armed forces should be established in the long term. Russia must be met constructively and decisively, and China must be treated as an equal.

SPD wants to develop the Stability and Growth Pact into a “sustainability pact”, continue the EU investment policy begun in the Corona crisis and develop the EU into a genuine fiscal, economic and social union. Besides a European Health Union, the SPD advocates better working and living conditions for all Europeans, for example through a legal framework for European minimum wages. The SPD wants the EU to have more autonomy in its foreign and defence policy with a separate EU foreign ministry and a European army. The EU should be given a permanent seat on the UN Security Council. Despite difficult relations with Russia and China, dialogue and willingness to cooperate must be maintained.

AfD calls for Germany to leave the EU. The Euro should be abolished and a national currency reintroduced. According to the AfD, a stable European peace order requires balanced cooperation with both the USA and Russia. And even after Brexit, the AfD advocates maintaining close relations with the United Kingdom.

FDP advocates a strong EU in terms of foreign policy. The liberal vision for the future is a federal and decentralised European state with its own constitution, a parliament with the right of initiative, a uniform electoral system and, in the long run, a European army. However, the FDP rejects EU taxes. It advocates rules-based free trade and promotes the conclusion of further free trade agreements. The Liberals criticize the political situation in Russia and China while offering moral support for the protests in Belarus and Hong Kong.

The **Left Party** advocates for an EU constitution which should make the EU more attractive again for those people who have turned away in disappointment in recent years. Wealth must be redistributed from top to bottom with an EU-wide

minimum tax rate for companies and common minimum standards for the taxation of large fortunes. Banks operating in tax havens should have their licences revoked. The Left wants to levy a financial transaction tax that would flow directly into the EU budget. The European Parliament should have more say in future when it comes to the distribution of subsidies. Underinvestment in the welfare state, education, the labour market and climate protection must be reversed as quickly as possible.

Alliance 90/The Greens want to strengthen the European Parliament by giving it full right of initiative for legislation and strong budgetary powers. There should be majority decisions in all policy areas and common investment in climate protection, digitalisation, education and research. The recovery fund should become a permanent investment instrument, funded by revenues from climate tariffs as well as taxes on plastics or on digital corporations. Human rights violations and the rule of law in authoritarian states such as China and Russia must be clearly named and more resolutely opposed.

This is in short what the electoral manifestos for the 2021 federal election say.¹⁰ To sum up, what are the differences between Germany's main political parties in terms of their priorities in European and international affairs? Four manifestos (CDU/CSU, SPD, FDP and Greens) adopt a generally pro-European tone in favour of international cooperation while the Left Party wants to change European integration and is, for example, opposed to Germany's NATO membership. None of them advocates “taking back control”, although the notion of subsidiarity has always featured prominently on the EU agenda of the Bavarian CSU. The AfD, finally, advocates leaving the EU altogether in its 2021 manifesto and has thus further hardened its Eurosceptic stance in recent years.

¹⁰ For a more detailed comparison, see Ålander, M., Mintel, J., and Rehbaum, D. (2021), What the 2021 election manifestos tell us about the views of German parties on the EU, LSE EUROPP Blog, <https://blogs.lse.ac.uk/europpblog/2021/08/12/what-the-2021-election-manifestos-tell-us-about-the-views-of-german-parties-on-the-eu/>.

5. Coalition scenarios and their EU impact

More than the name of the next Chancellor, it is the governing coalition that matters in German politics. This is also the view of the public: according to a poll in July 2021, 69% of the population consider the party-political composition of the next government important while only 22% think that who the next Chancellor will be is more important.¹¹

“After the election in late September 2021, one should not expect a new Chancellor to take office before the end of November.”

Germany’s coalition negotiations can take several months. After the election in late September 2021, one should not expect a new Chancellor to take office before the end of November. It is unlikely that the formation of a government takes as long as four years ago unless there is once again a collapse of negotiations as it happened with the negotiations between CDU/CSU, FDP and Greens in 2017.

Before the start of formal negotiations, parties will conduct exploratory talks (Sondierungsgespräche) in different configurations to examine common ground with their possible partner(s). At different stages of the process, committees, congresses or even all registered members of an individual party can be asked for their view or take a decision on entering, continuing or concluding talks or negotiations. For Social Democrats and Greens such involvement is certain and strengthens their hand in any constellation.

The written coalition agreements are very lengthy, too. They have been over 100 pages long and their pre-cooked compromises set the course for government policies over the next four years so their importance can hardly be overestimated. Back in 2017, Emmanuel Macron’s Sorbonne speech cast a long shadow over the coalition negotiations, because the French President deliberately tried to

push some parties towards more integration. In the short-term his strategy failed, but the German mindset has certainly shifted over the following four years.

5.1 Germany’s coalition landscape at the regional level

Previously usually formed by two parties, governing coalitions have already become quite motley at the regional level due to a more fragmented party system. As one can see below (Figure 2), Germany’s sixteen regions are governed by ten different types of coalitions: only four of them are classic centre-right or centre-left (Hamburg is governed by SPD and Greens; SPD, Greens and Left Party form the government in Berlin, Bremen and Thuringia; North Rhine-Westphalia is governed by CDU and FDP; Bavaria is governed by CSU and Freie Wähler). There are two further two-party coalitions: CDU and Greens govern together in Baden-Württemberg and Hesse, SPD and CDU are governing Mecklenburg-Western Pomerania, Lower Saxony and Saarland. Finally, four coalitions are unorthodox combinations of one big party (CDU or SPD) and two small parties: Brandenburg and Saxony are governed by CDU, SPD and Greens; in Saxony-Anhalt CDU, SPD and FDP are currently negotiating a coalition; Rhineland-Palatinate is governed by SPD, Greens and FDP; Schleswig-Holstein is governed by CDU, Greens and FDP.

Unlike in many other federal states, Germany’s sixteen regional governments participate directly in the decisions taken at the national level, through their representation in the second chamber, the Bundesrat. For roughly half of legislative bills, the Bundesrat must give its consent by absolute majority (abstentions count as “no” votes). Votes are distributed according to degressive proportional representation based on population, ranging from six votes for North Rhine-Westphalia (18 million inhabitants) to three votes for Bremen with 700 000 inhabitants. Each region’s votes can only be cast together. Given the multitude of different coalitions, the next federal government is unlikely to have an outright majority in the Bundesrat. Negotiations with the opposition will therefore be necessary for many bills, including possible EU

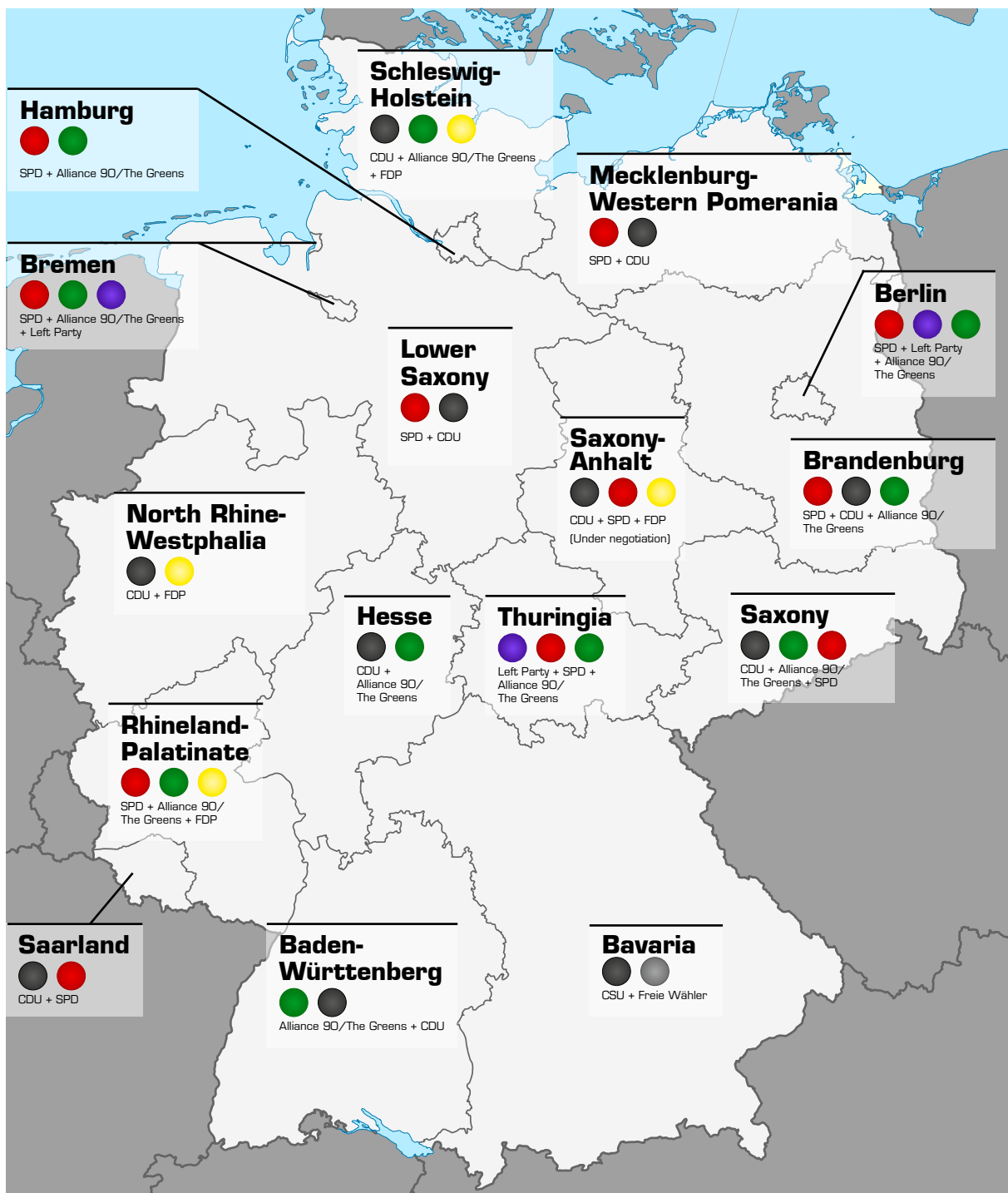
¹¹ Kornelius, S. (2021), In Deutschland wählt Jung gegen Alt, Süddeutsche Zeitung, 31 July / 1 August 2021, <https://www.sueddeutsche.de/politik/wahlkampf-demografie-altersgruppen-union-1.5368980>.

dossiers which the regions are monitoring closely. And any EU treaty changes would usually require a two-thirds majority, meaning they need even broader support.

As this brief overview has shown, “motley” coalitions are daily business at the regional level.

The federal government, however, has so far only consisted of governments with two partners. Negotiations between CDU/CSU, FDP and Greens collapsed in 2017 after the FDP withdrew from the negotiations. Subsequently, CDU/CSU and SPD negotiated a renewal of their Grand coalition which then entered office in March 2018.

Figure 3: Governing coalitions at the regional level



5.2 General impact of five possible and plausible coalitions at the federal level

According to current opinion polls, numerous coalitions are theoretically possible at the federal level. Which parties will be in government after the election is even more uncertain than it was four years ago. There is also no clear-cut alternative between a centre-left and a centre-right block as was the case at least between 1998 and 2013. Some coalition options have been ruled out (such as coalitions with the AfD) or would contain partners that are ideologically too remote from one another. This leads to a total of five coalitions that are plausible based on current opinion polls. But as the opinion polls are volatile and the three major parties are only a couple of percentage points apart, the second-biggest party in each of the coalition scenarios could still overtake the current frontrunner.

“[...] the second-biggest party in each of the coalition scenarios could still overtake the current frontrunner.”

5.2.1 CDU/CSU + Greens (“Black-Green”)

In two states, Baden-Württemberg and Hesse, CDU and Greens govern together (with a Green premier in Baden-Württemberg and a CDU premier in Hesse). Cooperation between CDU and Greens is working at the regional (and local) level but has not emerged at the national or EU level yet. However, CDU/CSU and Greens are short of a majority.

5.2.2 CDU/CSU + Greens + FDP (“Jamaica”)

The Jamaica coalition takes its name from the colours of the country’s flag. At the regional level, only Schleswig-Holstein is governed by CDU, Greens and FDP. This coalition becomes an option for the federal level if CDU/CSU and Greens fall short of a majority on their own. According to current opinion polls, CDU/CSU will be stronger than the Greens and thus be able to claim the Chancellery.

5.2.3 SPD + Greens + FDP (“Traffic lights”)

This type of coalition is named according to the parties’ colours. It occasionally emerged at the regional level in the past, but currently only Rhineland-Palatinate is governed by a coalition composed of SPD, FDP and Greens. The Social Democrats and the Greens both hope to lead such a coalition with $\pm 20\%$ of the votes. Any “traffic lights” coalition would put the CDU/CSU in opposition. However, the major obstacle for this constellation is overcoming policy differences between the centre-left and the Liberals.

5.2.4 CDU/CSU + SPD + FDP (“Germany”)

The name of this coalition comes from the colours of Germany’s flag. In Saxony-Anhalt CDU, SPD and FDP are currently negotiating this type of coalition, but this constellation has not really caught public imagination for the federal level yet. The Social Democrats have little appetite continuing to govern with CDU/CSU and would find it even more difficult to push for their policies against the combined centre-right strength of CDU/CSU and FDP. In turn, it is difficult to imagine CDU/CSU joining a “Germany” coalition led by the SPD.

5.2.5 SPD + Greens + Left Party (“Red-Red-Green”)

In three states (Berlin, Bremen and Thuringia) SPD, Greens and Left Party form the government together. The mayors of Berlin and Bremen are Social Democrats, but Thuringia is governed by a premier from the Left Party in a Red-Red-Green minority government. At the federal level, this constellation is the nightmare of the centre-right. In current opinion polls, the three parties have a narrow minority of the seats, reaching around 48% of the votes together. With 37% support, this type of coalition is viewed favourable by the Germans: It is the most popular coalition option alongside a “Traffic lights” coalition (also 37% support). All other options receive less approval and even greater disapproval.¹²

With respect to the future government, any kind of coalition between only two political forces,

¹² ZDF (2021): ZDF-Politbarometer, Projektion: Union und SPD gleichauf, 27 August 2021, <https://www.zdf.de/nachrichten/politik/politbarometer-bundestagswahl-union-spd-gleichauf-100.html>.

including “Black-Green”, the current Grand coalition (CDU/CSU + SPD), and “Red-Green”, will probably fall short of reaching a majority. The same is true for a government by CDU and FDP, currently ruling North Rhine-Westphalia. Finally, a coalition between CDU, SPD and Greens (“Kenya” coalition) would unite more than 60% of the seats in the Bundestag, but does not seem plausible because parties strive for minimum winning coalitions.

5.3 The implications of different possible coalitions for Germany's EU policies

Some of the possible governing coalitions might allow the country to produce, once again, the mainstream consensus policies that have characterised the EU since its creation. Although nobody knows the strength of individual parties in the next parliament and government, let alone the allocation of key portfolios such as the Chancellor, Foreign minister, Finance minister, Minister of State for EU affairs and EU advisor of the Chancellor, one can make some speculative assumptions about a few general EU policy implications that the five coalitions examined above would have:

5.3.1 CDU/CSU + Greens (“Black-Green”)

The two possible partners quite often find themselves in opposition to each other on EU legislative files. At the election of Commission President Ursula von der Leyen in July 2019, the Greens voted against despite her proposing an explicitly greenish policy agenda. While the Greens have positioned themselves as strong advocates of deepening European integration, it is important to consider that many in the CDU no longer have the natural integrationist mindset of the Kohl years but a more pragmatic, rational, cost-benefit approach to European integration which was already visible in the German “Zahlmeister” (paymaster) narrative of the 1990s.

5.3.2 CDU/CSU + Greens + FDP (“Jamaica”)

Four years ago, negotiations for this kind of coalition failed over the further development of the European Stability Mechanism.¹³ Despite adding the Free Democrats as the third partner to the

“Black-Green” coalition if these two parties do not reach a majority, it is still possible to identify EU issues on which the parties agree, for example on strengthening EU foreign policy and the European Parliament. The participation of the FDP will, however, add weight to those voices within CDU/CSU that are opposed to further fiscal integration at the EU level, and make any steps into that direction more difficult.

5.3.3 SPD + Greens + FDP (“Traffic lights”)

Although not only red and green politicians, but also some Liberals consider this as a viable option, it is difficult to identify large areas of agreement between the parties: while SPD and Greens want a more social and greener Europe, the FDP is opposed to the additional resources that would be necessary for these steps. However, as this is the best chance for SPD or Greens to enter the Chancellery, either of the two parties might be willing to sacrifice some policy priorities to be able to lead a coalition and persuade the FDP to join it. The EU ambitions of such a government would then be diminished.

5.3.4 CDU/CSU + SPD + FDP (“Germany”)

At the EU level, many compromises in the European Parliament are forged between the three political groups to which these three national parties belong to. While the current Grand coalition often only agreed on the lowest-common denominator, this would be even more the case with the Liberals joining the two current partners after the election. The absence of the Greens would probably lead to less ambitious EU climate policies and national climate actions while the presence of the FDP in government would hamper further fiscal integration at the EU level.

5.3.5 SPD + Greens + Left Party (“Red-Red-Green”)

With this coalition, the EU’s largest member state would be governed by a centre-left government which would impact the balance of power in the Council. These three parties can find common ground on EU economic policies, but foreign policy would be an area where difficulties could

¹³ Gammelin, C. (2020), Wie die FDP die Verhandlungen zur Europapolitik platzen ließ, Süddeutsche Zeitung, 23. November 2017, <https://www.sueddeutsche.de/politik/jamaika-wie-die-fdp-die-verhandlungen-zur-europapolitik-platzen-liess-1.3763062>.

emerge. The Left Party's opposition to military missions abroad and to NATO, as well as EU defence policy more broadly, have impeded cooperation in the past: In 2005 and 2013 these three parties had a majority of seats in the Bundestag, but SPD and Greens decided against entering a coalition with the Left Party.

5.4 Government or opposition and proximity with other member states' governments

Which of these coalitions would Germany's European partners prefer? Counter-intuitively, it seems that Emmanuel Macron could best advance his EU policies if SPD and Greens held power. He would face more obstacles if the Liberals of the FDP who belong to his Renew Europe Group in the European Parliament entered government. Scandinavian countries, although governed by Social Democrats, would probably be happy with the fiscally conservative policies of a governing coalition dominated by CDU/CSU and FDP.

But it is also important to consider who would be in opposition. In two of the five above-mentioned coalitions, CDU/CSU would be in opposition. After sixteen years at the helm of government, shaping EU affairs, this move would probably affect their future EU policies. Under such a scenario, one can expect more CDU/CSU opposition against further EU integration such as making the recovery fund permanent than if they continued to be in government. A similar development had occurred with the FDP which had supported the creation of rescue funds in the Euro crisis when the Liberals were in government from 2009 to 2013, but the party became more sceptic after leaving office.

Interestingly, Germany's biggest opposition parties have occasionally shaped EU policies. In 2004 Angela Merkel, while leader of the opposition, was instrumental in securing the Commission Presidency for the EPP and José Manuel Barroso. In 2012, in return, the newly elected French President François Hollande was able to deliver on his promise to "re-negotiate" the Fiscal Compact by teaming up with his German SPD comrades, then in opposition, whose parliamentary support was required for ratifying the Fiscal Compact and the ESM Treaty with a two-thirds majority in the Bundestag

and Bundesrat. France obtained only the largely symbolic "Pact for Growth and Jobs", but the story nevertheless shows the impact of opposition parties on how EU multi-level politics sometimes plays out.

"If, as seems likely, the party of the next Chancellor obtains around 25% of the vote, it will be comparatively weak in any governing coalition."

If, as seems likely, the party of the next Chancellor obtains around 25% of the vote, it will be comparatively weak in any governing coalition. The role of the major opposition party (CDU/CSU or SPD or the Greens, because two of these three parties will govern together probably with a third partner) will therefore matter even more in the coming years than it did in 2004 and 2012: The EU might consider treaty changes in reaction to the Conference on the Future of Europe, and a redistribution of most EU top jobs will follow the elections to the European Parliament, only two-and-a-half years away. From 2022 onwards, then, Germany's biggest opposition party might, once more, occasionally be able to play a decisive role in EU politics.

6. The next Chancellor: Expected to lead at the EU level

When the new Chancellor travels to her/his first European Council meeting, possibly in December 2021, she or he will only be one among 27 Heads of State or Government, but all eyes will be on the new face from Germany.

All three candidates for Chancellor stress their European credentials. Armin Laschet emphasizes his time as MEP from 1999 to 2005, and his hometown Aachen near the border with Belgium and the Netherlands, closer in distance to Paris than Berlin. Finance Minister Olaf Scholz has been serving in the Eurogroup for four years and gained previous executive experience as mayor of Hamburg and as Labour Minister. And Annalena Baerbock started her career as an assistant and later chief of staff for a Green MEP.

Alongside the coalition, the composition of government, and the allocation of ministerial portfolios, it matters who is at the top. The Chancellor has a preeminent role on the European stage, not least because of the greater role of the European Council in recent years. Angela Merkel's sixteen-year term has been marked by multiple crises in European and international affairs such as the consequences of the popular rejection of the constitutional treaty, the Euro crisis, the migration crisis, Brexit and the pandemic. The Chancellor's crisis-management skills as the longest-serving member of the European Council are widely acknowledged. Her departure thus leaves a vacuum that both her fellow Heads of State or Government and her successor will struggle to fill. On behalf of the EU, Merkel dealt with key geopolitical actors in Ankara, Moscow and Beijing. The refugee pact with Turkey, the Minsk agreement between Russia and Ukraine or the investment deal with China are some of the dossiers that the German Chancellor managed.¹⁴ A less experienced successor will initially be more preoccupied with domestic politics and not be able to lead on these international issues immediately, leaving a political vacuum that autocratic leaders may be keen to take advantage of – to divide and rule Europe.

Furthermore, any current EU Head of State or Government attends so-called “pre-summits” of his or her political family ahead of meetings of the European Council. Angela Merkel has been the key figure of EPP pre-summits. If Armin Laschet succeeds her, he would naturally attend them. The same is true for Olaf Scholz who would bolster the profile of PES pre-summits. If the EPP loses the German Chancellorship, none of the five biggest EU countries (Germany, France, Italy, Spain, Poland) would currently have an EPP Head of State or Government. With the Greens in the Chancellery, Spain would even be the only remaining country of the “big 5” that is currently governed by a Head of State or Government from one of the two Europarties that have shaped EU affairs in recent decades – and Annalena Baerbock would find herself without a fellow Green PM at the EU level. With Green participation

in the government or possibly even a Green Chancellor, Germany would be an outlier in the EU government landscape. But the times in which there were only three party families at the European Council table are definitely over.

When Angela Merkel was recently asked how she would like to be remembered in the history books, she hesitated and then said, “that I was not lazy”.¹⁵ Dealing with successive internal crises in the EU and a challenging international environment meant that the period from 2005 to 2021 was indeed a turbulent and busy time that Europe, the EU and the Euro have survived against the odds.

Conclusion

Germany's political landscape is in flux, and the country seems to be heading for more political instability. How it deals with European and international affairs depends on many factors: the composition of the governing coalition is one of them, leadership and style of the Chancellor is another, but the allocation of portfolios within the government, the international environment, and broader domestic developments are just a few other relevant factors.

“Germany's political landscape is in flux, and the country seems to be heading for more political instability.”

Nobody can currently reliably predict which parties will form the new government and which parties will be in opposition after the election: with only four weeks to go, the outcome is difficult to predict because the polling numbers are constantly changing. This European Policy Analysis has therefore highlighted the priorities in the EU sections of the electoral manifestos of CDU/CSU, SPD, AfD, FDP, Left Party and Alliance 90/The Greens. An overview of the currently co-existing ten different types of coalitions in the sixteen German regions has subsequently shown how fragmented the political landscape has become.

¹⁴ Rahman, M. (2021), We're not ready for Europe after Merkel, POLITICO Europe, 14 January 2021, <https://www.politico.eu/article/not-ready-for-europe-after-angela-merkel-germany/>.

¹⁵ Clement, K. (2021), Von den Krisen nicht entmutigt, Tagesschau.de, 20 May 2021, <https://www.tagesschau.de/inland/merkel-europaforum-101.html>.

Against this background, the paper identified five possible and plausible coalitions. Each of them could govern Germany after the election, if three conditions are met: a parliamentary majority, a successful conclusion of coalition negotiations, and the election of a jointly proposed candidate as the new Chancellor in the Bundestag.

The composition of the next governing coalition will make a difference for how individual EU policies are pursued by Germany. For each of the five coalition scenarios, German EU policies are likely to take a slightly different course: To sum up, a “Black-Green” coalition between CDU/CSU and the Greens is currently well short of a majority and would anyway not be easy in EU affairs because the two partners have often had different views on EU legislative files. In a “Jamaica” coalition (CDU/CSU, Greens and FDP), the entry of the Liberals would further complicate things especially when it comes to EU finances. A “traffic lights” coalition of SPD, Greens and FDP would also struggle ideologically, but it is a coalition option that could bring Olaf Scholz (or Annalena Baerbock) to the Chancellery. A “Red-Red-Green” coalition of SPD, Greens and Left Party would currently obtain a narrow majority of the seats. Just like the “traffic lights” coalition it would allow SPD or Greens to lead a governing coalition. Other options could emerge, because SPD and CDU/CSU are currently neck on neck, with the SPD ahead of CDU/CSU in the most recent opinion polls. A “Germany” coalition composed of CDU/CSU, SPD and FDP would only enlarge the current Grand coalition, adding the Liberals. It is, however, important

to keep in mind that each of these five possible and plausible coalitions has a significant part of the population disapproving of that particular constellation.

“This election really matters for Germany, for its European partners and for the EU as a whole.”

This election really matters for Germany, for its European partners and for the EU as a whole. On the one hand, Germany’s role in the EU is growing even more important after Brexit. For other countries it is wise and even essential to engage with the next German government and to think about how the priorities of different governing coalitions align with their own priorities. On the other hand, the next Chancellor will be expected to lead at the EU level, but Angela Merkel’s departure will initially leave a vacuum. Finally, the party affiliation of the new German Chancellor could prove important: if CDU/CSU and thus the EPP lose the German Chancellorship, this would significantly shift the political balance in the European Council.

Ultimately the increasing political fragmentation and uncertainty will not be immediately resolved after the election. This creates a situation in which Germany, a source of political stability and predictability for the entire EU, might not be able to provide this in the same way as it has done until now.

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