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# THE 2017 GERMAN FEDERAL ELECTION AND EUROPEAN INTEGRATION



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## Summary

In the 2017 German Federal Election to be held on the 24<sup>th</sup> of September 2017, Chancellor Angela Merkel is looking for her fourth successive term after having held the office for 12 years. The election will not be only about measuring the support for Chancellor Merkel and her government, but also about determining the guidelines of the European policy of the biggest national economy, Germany, for the next four years.

For a number of reasons the context in which the German 2017 Federal Election will take place is a challenging, yet interesting, one. The eurozone crisis has plagued the European economy for almost a decade with no clear solution in sight. The refugee crisis has been causing severe political tensions among the EU member states. The EU's relations with Russia on the one hand, and Turkey on the other, have hit the rock bottom with no fast recovery in sight. Finally, the election of the new President of the United States, Donald Trump, rises huge questions concerning the future of the transatlantic relations.

The refugee crisis has strengthened the far-right-wing populism also in Germany. One of the key questions regarding the 2017 Federal Election will be the support for the *Alternative for Germany* (AfD). Since all parties currently represented in the German parliament, *Bundestag*, have rejected coalitions with the AfD, the most probable outcome in the case the AfD enters the *Budestag* is the renewal of the Grand Coalition for the term 2017-2021. The race for the Chancellorship is going to be between Angela Merkel, representing the CDU/CSU, and Martin Schulz, representing the SPD. The rise of the AfD would impede Merkel's plan to be reelected, for the stronger the AfD becomes, the fewer coalition options available for Merkel's conservatives there are.

## Yhteenveto

Saksassa järjestetään syyskuun 24. päivänä 2017 liittopäivävaalit, jossa istuva liittokansleri Angela Merkel hakee jatkokautta 12 vuotta jatkuneelle valtakaudelleen. Vaaleissa punnitaan paitsi Angela Merkelin johtamien kristillisdemokraattien suosio, myös linjataan Euroopan suurimman kansantalouden poliittista asetelmaa seuraavan neljän vuoden ajaksi.

Vaaliasetelmat ovat sekä Euroopan että kansainvälisen politiikan tilanteen johdosta erittäin mielenkiintoiset ja haastavat. Jo lähes kymmenen vuotta jatkunut euroalueen kriisi on yhä ratkaisematta, EU:n jäsenvaltioiden keskinäisiä suhteita rasittavat vakavat erimielisyydet pakolaiskriisin hoitamisesta, suhteet Venäjään ja Turkkiin ovat jo pidempään olleet jännittyneet, sekä lisäksi Yhdysvaltojen uusi presidentti Donald Trump herättää runsaasti kysymyksiä.

Pakolaiskriisin myötä myös Saksassa oikeistopopulismien suosio on lisääntynyt. Syksyn liittopäivävaalien jälkeisten hallitusneuvottelujen kannalta oikeistopopulistisen *Alternative für Deutschland* -puolueen (AfD) kannatuksella tulee olemaan keskeinen vaikutus. Koska kaikki liittopäivillä edustettuina olevat puolueet ovat ilmoittaneet kieltäytyvänsä hallitusyhteistyöstä AfD:n kanssa, AfD:n pääsy liittopäiville tulisi hyvin todennäköisesti johtamaan nykyisen suuren koalition jatkumiseen myös kaudella 2017-2021. Kisa liittokansleriudesta tullaan käymään Angela Merkelin ja sosialidemokraattien Martin Schulzin välillä. AfD:n vahvistuminen heikentää ensisijaisesti Angela Merkelin mahdollisuuksia päästä jatkokaudelle, koska mitä suuremman kannatuksen AfD onnistuu saamaan, sitä vähemmän hallitusoptioita Merkelin kristillisdemokraateille jää.

# Introduction

The German 2017 Federal Election is the third consecutive election overshadowed by crises in Europe. If the first two (2009 and 2013) were overshadowed by the sovereign debt crisis of the eurozone, the 2017 Federal Election is held in the intersection of multiple crisis:

- First, the eurozone crisis is anything but settled. The situation, especially in Greece, but also in Italy and Spain, is escalating and there exists a growing resistance against deeper integration toward a fiscal and political union;
- Second, the armed conflict in Ukraine from 2014 onwards and the annexation of the Crimean peninsula by Russia are not only questioning the European peace order and creating instability in the backyard of the European Union (EU), but also causing the EU-Russia relations to reach the nadir with no realistic plan for stabilising the region and recovering the relations;
- Third, since 2015, over 2 million refugees—mostly from Syria, the Near East, and Africa—have come to Europe causing the worst migrant crisis in Europe since the end of the World War II. Germany has taken on a remarkable majority, almost 1.5 million, of these refugees;
- Fourth, terrorist attacks in many countries in Europe, especially France, but also in Germany, undermine the collective security among European citizens and prepare ground for Islamophobic propaganda;
- Fifth, the outcome of the British referendum on “Brexit” in the summer of 2016 in favour of leaving the EU has plunged the EU into one of the worst crises in its history;
- And finally, sixth, the new President of the United States, Mr. Donald Trump, has proven to be even more unforeseeable than has been feared. Mr. Trump’s political agenda is a true challenge for the transatlantic relations, one of the most fundamental links between the USA and Europe.

For the past twelve years Angela Merkel and the CDU/CSU have been in an ambivalent position when it comes to coalition building. The CDU/CSU has succeeded in maintaining its relatively secure leading position vis-à-vis the SPD. This is, at least partly, due to the weak candidates of the SPD for the chancellorship. The competition, however, changed abruptly in January 2017 as Sigmar Gabriel, chair of the SPD, announced his retrieval from the candidacy, and Martin Schulz, the former European Parliament President, was nominated as the SPD candidate for the chancellorship.

Although the majority of the German electorate have only a weak knowledge of Martin Schulz as a politician, the boost in the electorate of the SPD suggests that it may come to a real competition between Angela Merkel and Martin Schulz. At the same time, this boost was a slap on Gabriel's face, and it will be interesting to see how Gabriel chooses to support Schulz, who was elected the party leader as well on the 19<sup>th</sup> of March. It should be kept in mind, that although in Germany the chancellor is elected by the parliament (*Bundestag*), previous studies have indicated that persons do tend to also matter and to some extent influence the voting behaviour of the electorate. Also, the longer the Chancellor has been in office, the smaller the so-called Chancellor's bonus will be.<sup>1</sup> These contextual factors might work in favour of Martin Schulz as he is challenging Angela Merkel and her 12 years in office. Merkel, on the other hand, has an impressive track record in crisis management both in European and in global contexts. She might be a pragmatic, even boring politician, but during her Chancellorship Germany has been the bastion of stability in Europe.

Both Merkel and Schulz are committed to European integration as Germany's most important political framework. In most questions regarding Germany's domestic, foreign, and European politics, no big differences exist between Merkel and Schulz. Schulz is more in favour of deepening the political and economic integration to the direction of federal Europe, but the most important difference between the two can be found in economic questions. Regarding the eurozone crisis, Schulz has argued against Merkel's strict eurocrisis policy and openly favoured the eurobonds. In issues related to domestic economy, Schulz stands for a reform of the "Agenda 2010", the welfare system reform carried out by the SPD-led government under chancellor Gerhard Schröder (1998-2005).

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<sup>1</sup> Norpoth and Gschwend 2004

The intent of this working paper is to capture the most important domestic and external factors and trends considering the upcoming German Federal Election in September 2017. This paper can by no means present a full-fledged analysis of German and European politics, rather it is a snapshot, an attempt to take an analytic shot at a fast moving target in order to identify salient factors most probably playing an important role in the election. The broader aim of this paper is to make a contribution to the ongoing discussion on and around Germany, Europe, and the EU. Many things in Europe and the world are in flux and there is no clear view of the future. The author, however, is convinced that in these troubled times it is more important than ever to engage in a debate about Europe, to present analytical viewpoints based on facts, and to outline possible future pathways.

The paper consists of three main parts. The first section focuses on Germany's domestic affairs by discussing the most important developments in the German party landscape since the 2013 Federal Elections. The second section shifts the focus to the European level by discussing the key changes in European and global politics from Germany's standpoint. The third section discusses an outlook for the 2017 Federal Election in the context of European integration.



## German Party Landscape in Flux: Main Trends since the 2013 Federal Election

Germany is a federalist state and it is often regarded as one of the most stable democracies in the contemporary world. The German party system is a multiparty system with two major, catch-all parties (*Volksparteien*) forming the two poles on the ideological left-right scale. The center-right spectrum revolves around the conservative Christian Democratic Union (*Christlich-Demokratische Union*, CDU) together with its Bavarian sister party Christian Social Union (*Christlich-Soziale Union*, CSU). The CDU/CSU represents liberal, social market economy, but also defends traditional values. For the past 20-30 years, the CDU/CSU has been expanding its programmatic scope to catch the man (and woman) in the middle. The other main party of the German party system, the Social Democratic Party of Germany (*Sozialdemokratische Partei Deutschland*, SPD), is the tradition-rich core of the center-left spectrum. Also the SPD has had to open its leftist orientation toward a centre-leftist programme, partly as an answer to the ongoing societal change in Germany, but also as a response to the “suction to the centre” (*Sog in die Mitte*), an ongoing trend in Western liberal democracies since the end of the Cold War.<sup>2</sup>

The fluctuation and fragmentation of the German party system has increased over the past 10-15 years (Figure 1). The main reason for this is the increase in the number of parties present in the party system. Until the early 1980s, the German party system was a three-party structure with the Free Democrats, a.k.a. Liberals (*Freie Demokratische Partei/ Die Liberalen*, FDP) as the junior partner for both the CDU/CSU and the SPD, playing thus a pivotal role in the coalition building. In the 1980s the environmental movement recognised the political potential of environmental issues and made them subject to political action. The movement organised itself as a political party, the Greens (*Die Grünen*), and in 1983 succeeded in making its way into the German *Bundestag*.<sup>3</sup> In the early 1990s, the former ruling party of the GDR, renamed *Die Linke*, became the third small party in the party structure. The successful politicisation of key (economic) problems of German unification helped

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<sup>2</sup> See Schmidt 2007, 88-89; Hesse and Ellwein 2012, 312-314

<sup>3</sup> Hesse and Ellwein 2012, 330-332

the left-wing newcomer to gain a toehold in the political system. Since 2005 *Die Linke* has stabilised its position in the party system left to the SPD.<sup>4</sup>

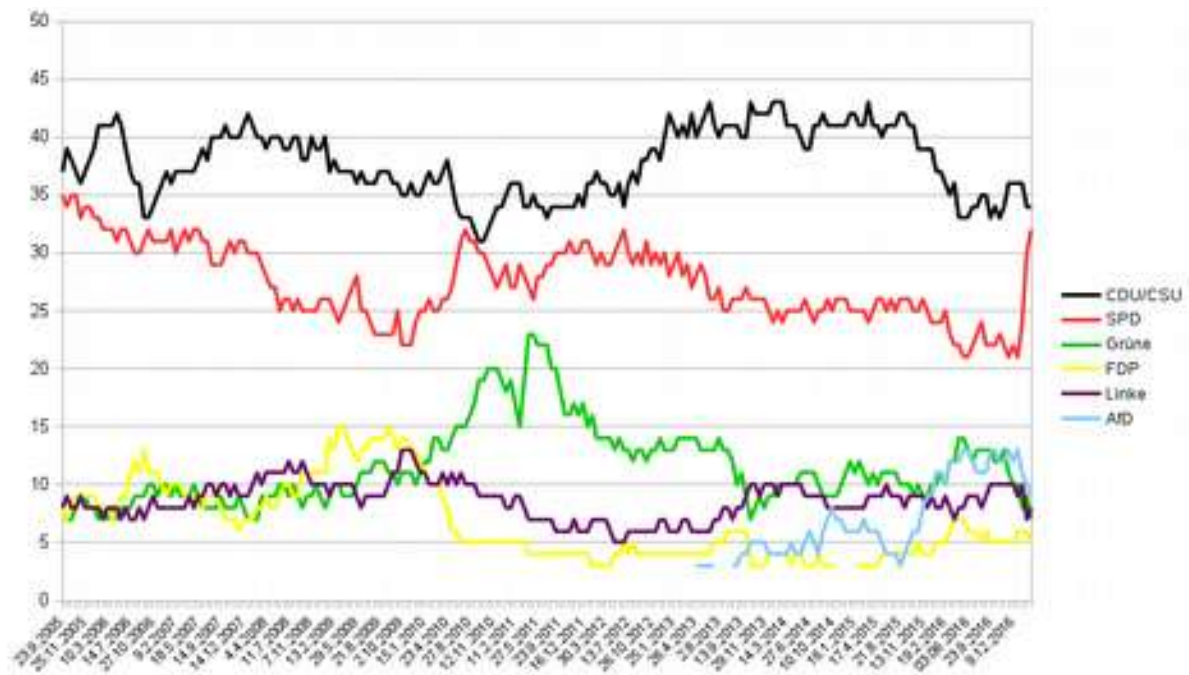


Figure 1: Party support in polls 2005-2017 (source: Forschungsgruppe Wahlen).

The latest change to the party system occurred after the 2013 Federal Election and the breakout of the refugee crisis in the EU. The Alternative for Germany (*Alternative für Deutschland, AfD*) won 4.7 percent of the votes, thus just missing the five percent vote threshold. After the 2013 election the AfD—originally founded by Bernd Lucke in 2012 as a political group called Electoral Alternative 2013 (*Wahlalternative 2013*) to oppose German policies in the eurozone crisis<sup>5</sup>—has transformed itself to a far-right-wing populist party successfully politicising the refugee crisis and, especially, chancellor Merkel’s immigration and migration policy<sup>6</sup>.

<sup>4</sup> Elo 2008; Hesse and Ellwein 2012, 332-224

<sup>5</sup> Franzmann 2016

<sup>6</sup> In regard to “populism” this paper leans on scientific definition of this concept. First, we can differentiate between left- and right-wing populism. The former seeks a stronger inclusion of underprivileged groups through a clientel system outside a parliamentary control. The latter is based on exclusion of certain people (immigrants, foreigners, asylum seekers, ethnic minorities etc.) and reserves participation for their “own” citizens only. Further, populism is merely a strategy for the aspiration for power, a relational and not substantial concept based on a dichotomy between “the people” and “the elites”. Other characteristics of populism are the appeal to “common sense”, the aversion to establishments and social and political institutions, and an antipolitical attitude seeking to mobilise less-educated, apolitical social groups. (Priester, 2012) Although many populist movements

The programmatic transformation of the AfD toward a far-right wing party run parallel to the so-called PEGIDA movement. PEGIDA, which stands for “Partiotische Europäer Gegen die Islamisierung des Abendlandes” (Patriotic Europeans against the Islamisation of the Occident), is an anti-Islam, nationalist movement founded in Dresden in October 2014. The movement sought to place itself in the tradition of so-called Monday demonstrations against the government of the former German Democratic Republic in 1989, a post-factual argument primarily seeking to legitimise the movement in the eyes of the public and to gain support for its political goals. As recent studies have shown, a typical supporter of the PEGIDA movement was an older, married, German man belonging to the middle-class and supporting the idea of a German *Leitkultur*.<sup>7</sup> The new party leadership of the AfD under the party chairwoman Frauke Petry, who removed Lucke from leadership at a party congress in Essen in 2015, flirted with a collaboration with PEGIDA in order to capitalise on the political resentment against Merkel’s immigration policy. Petry herself comes from the conservative fraction of the AfD and has rapidly transformed the party into a nationalist far-right wing party. Lucke, in turn, quit the AfD soon after his removal from the leadership and openly criticised the new leadership around Petry for the rise of xenophobic, nationalist, and pro-Russian sentiments.<sup>8</sup> The fact that the public support for the AfD in opinion polls increased by almost 10 percent points during the peak of the refugee crisis in the summer of 2015, and has remained between 10 and 15 percent since then, indicates that the party has succeeded in politicising Merkel’s refugee policy.

For Oskar Niedermayer, a distinguished German party researcher, the aforementioned developments of the German party system indicated a shift from a two-party domination to a pluralist party system. The most important reason for this change can be found in the decrease in the share of the votes of the two biggest parties, the CDU/CSU and the SPD.<sup>9</sup> Indeed, in the 2009 Federal Election the

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offer simple, often post-factual answers to complex problems, the rise of populist movements also indicate a weaker inclusion and representation of the traditional parties. In this sense, populist movements should be taken seriously as seismographs of democracy forcing the established parties to reform their agenda. (See also Decker, 2012)

<sup>7</sup> E.g. <http://www.demokratie-goettingen.de/blog/pegida-2016-studie> (Online, last visited: 6<sup>th</sup> March 2017)

<sup>8</sup> <http://www.bpb.de/politik/grundfragen/parteien-in-deutschland/211108/afd> (Online, last visited: 3<sup>rd</sup> March, 2017)

<sup>9</sup> Niedermayer 2013

CDU/CSU and the SPD won together only 56.8 percent of the votes, whereas the biggest of the small parties, the Liberals, achieved a historical 14.6 percent of the votes.

When considering the starting point for the 2017 Federal Election, the 2013 Federal Election is important in three respects. First, the results of 2013 indicate a return to the two-party dominance by the CDU/CSU and the SPD, which together gained 67.2 percent of the votes.<sup>10</sup> However, this constellation is asymmetric in favour of the CDU/CSU. The SPD managed to increase its share of the votes by 2.7 percent points to 25.7 percent, whereas the CDU/CSU succeeded in gaining an increase of 7.7 percent points, thus ending up with 41.8 percent. If we exclude the post-Schulz-nomination effect, i.e. the rapid increase in the electorate support for the SPD in the opinion polls after the nomination of Martin Schulz as the chancellor candidate of the SPD in January 2017, the SPD has not succeeded in reducing this asymmetry vis-à-vis the CDU/CSU.

Second, considering the German electorate, the 2013 Federal Election evidenced a further shift to the right on the ideological left-right scale. The shift which started already in the early years of the 21st century, and today the median of the contemporary German electorate seems to be located slightly right from the middle. The total share of all right-wing parties—CDU/CSU, FDP, and AfD—was 51 percent in 2013, whereas the total share of all left-wing parties—SPD, the Greens, *Die Linke*, and the Pirates—was only 44.9 percent.<sup>11</sup> The refugee crisis and especially the terrorist attacks in Europe and in Germany seem to have strengthened (central-)rightist political attitudes among the German electorate.

Third, following a general trend observable in all Western liberal democracies the volatility of the German electorate continues to increase and the share of loyal partisans decrease. This development has continued since the beginning of the 1990s and today less than 30 percent of the German electorate can be characterised as being partisan to one party.<sup>12</sup> As a consequence, especially the CDU/CSU and the SPD cannot count on a stable group of loyal partisans anymore and are, hence, forced to

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<sup>10</sup> Decker and Jesse 2013, 47-48

<sup>11</sup> See Decker 2007, 26-27; Decker and Jesse 2013, 47

<sup>12</sup> Decker 2013

find compromises especially in questions that strongly divide the electorate, e.g. social security, migration/immigration, and economics.

Despite the increase in electorate volatility, the German party system has remained quite stable over time. Two of the key reasons for this stability can be found in the democratic values anchored in the Basic law (*Grundgesetz*) and the general commitment to respect and defend democracy as a political framework. Already in the 1950s, the early years of the Federal Republic of Germany, the CDU/CSU and the SPD agreed to protect the German party system against extremist forces both from left and right. The latest newcomers, *Die Linke* on the one hand, but especially Frauke Petry's AfD on the other, are still more or less unacceptable as coalition partners. The problem caused by this constellation can be seen in Merkel's coalition building. Only once, after the 2009 Federal Election, has Merkel succeed in building a center-right CDU/CDU-FDP coalition. Hence, the so-called Grand Coalition between the CDU/CSU and the SPD—considered for a long time an extraordinary coalition for the times of crisis—has become the “new normal” in Germany.<sup>13</sup>

The rapidity of the change in the political landscape is best illustrated by the fact, that the majority of papers published after the 2013 Federal Election did not recognise the AfD as a relevant player for the 2017 election. Instead, *Die Linke*—especially the question about a red-(deep) red-green coalition between the SPD, *Die Linke*, and the Greens—was seen as the most important question when it came to coalition building.<sup>14</sup> At the moment, in March 2017, the biggest challenge for the 2017 Federal Election is the AfD. The AfD has already stirred up the political landscape in several State Elections since 2015 with its openly nationalist, xenophobic, and far-right wing populist rhetoric. There is, however and unfortunately, nothing unique about that when compared to other European political systems. The AfD has the potential—especially if the refugee crisis remains, as is to be expected, unresolved—to enter the *Bundestag*, and this with a two-figure share of votes.

At the same time, however, the electorate of the AfD is more volatile and divided than that of the other parties of the German party system. Considering the AfD electorate, there still exists a socioeconomically conservative fraction primarily

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<sup>13</sup> Decker and Jesse 2013, 51; Elo 2015

<sup>14</sup> E.g. Decker and Jesse 2013

dissatisfied with the politics of the federal government, the CDU/CSU, and the Liberals. For these early supporters of the AfD immigration policy is completely irrelevant. This should not conceal the fact, that since 2016 the fastest growing clientele of the AfD consists of vehement opponents of both the EU in general, and Merkel's immigration policy in particular. Indeed, the heterogeneity among the AfD's supporters has increased, especially during the era of Frauke Petry. Although there still exists a strong fraction of former members of the CDU/CSU, a growing fraction consists of a socio-economically and politically heterogeneous group of generally *dissatisfied* people. In this respect, the AfD is completing—if not having already completed—its transformation from an economically oriented, euro-critical single issue party toward a full-fledged right-wing populist party.<sup>15</sup>

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<sup>15</sup> Jung 2016; Schmitt-Beck 2017

## Germany's Changing Role in Europe

Discussion around Germany's leadership in Europe has emerged over the past few years. As Gunther Hellmann has pointed out in his recent article, the debate on the "new German foreign policy" resurfaces every time there is reason to rethink Germany's role in Europe and in the world politics, so in this respect it seems rather normal to debate whether Germany has (not) become a "normal" nation. Some observers are keen to identify the changes and novelties, whereas others seek to convince their audience of the continuity in German foreign policy.<sup>16</sup>

The reasons for these considerations over the role Germany has in European politics are due to the changes in European and global environment during recent years. These changes have affected not only Germany's self-understanding, but also the perceptions of Germany's European and global partners. From the perspective of this paper the following five (5) aspects are the most crucial for this change.

First, the eurozone crisis, which begun in 2009 is far from being settled. Especially in Greece the state economy is still on a razor's edge and a source for permanent tensions within the EU. Thus far, Germany's position under chancellor Merkel and her Minister of Finance, Wolfgang Schäuble, has been characterised by a demand for a strict fiscal policy by the Greek government. Further, Merkel and Schäuble have rejected the idea of the so-called eurobonds—i.e. that the EU would take out loans on behalf of all eurozone countries—by pointing out that such an arrangement would not solve anything, but rather let the indebted countries to carry on spending and racking up more debt. This, because the debt would be cheaper. This policy is deeply rooted in the German school of economic thinking, a particular variant of Neoliberalism called Ordoliberalism. Ordoliberalism extols the role of the price system in coordinating economic actions and advocates market competition. According to Ordoliberals, the role of the state is to ensure that the economic system can respond to changes in order to ensure market competition.<sup>17</sup> It was "the joint effect of the Brussels-Frankfurt consensus and German Ordoliberalism, politically empowered by

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<sup>16</sup> E.g. Hellmann 2016; Janning 2016; Kundnani 2016

<sup>17</sup> Woodruff 2016. See also Senn 2005

the irreplaceable role of the central bank as a tool against market panic, [...] to push austerity and deflationary adjustment. 'The market' did not demand these policies."<sup>18</sup>

The current situation puts Germany into a dilemma. There is no doubt that Germany has benefited greatly from the euro, but also from the eurozone crisis. On the one hand, Merkel and Schäuble have pushed for a hard austerity policy from the very beginning, thus making a political U-turn impossible. Both Merkel and Schäuble have criticised Martin Schulz, among others, for pro-eurobond outings. Further, the eurozone crisis has weakened Germany's competitors, thus strengthening the existing economic and political asymmetries within the eurozone. Germany's current economic strength is, therefore based on a policy of keeping others weak. On the other hand, Germany is, despite its status as the world champion in exporting, depended on the internal markets of Europe. Even today, roughly half of Germany's exports go to other EU states. A hard austerity policy reduces and limits the national government's room for investments. From this perspective, a more relaxed framework for fiscal policy could boost public investments in the eurozone, but the price of that would be that Germany's position of relative strength would be weakened.<sup>19</sup> However, we should not forget the deep institutional embeddedness of the fiscal rules applying to national budgets, thus making the eurozone crisis far more fundamental by nature.<sup>20</sup> A simple rejection of these rules might help the eurozone out of the current crisis and bring short-term benefits especially to the Southern eurozone members, but the long-term institutional and political damages would be incalculable and could outweigh the short-term benefits.

Second, the civil war in Syria resulted in the summer of 2015 to an unexpected mass immigration to Europe and caused a severe political crisis in the EU. A huge majority of the refugees came either via Turkey or by crossing the Mediterranean Sea entering the EU through Greece or Italy. The current refugee policy of the EU—the so-called Dublin regulation from the 1990s—stipulated asylum seekers to remain in the first European country they enter, causing an administrative and economical overload in countries already suffering the consequences of the eurozone crisis. European nationalist and populist parties and movements—e.g. *Front National* in France, *Partij*

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<sup>18</sup> Woodruff 2016, 103-104

<sup>19</sup> Kundnani 2016

<sup>20</sup> Nölke 2016



*voor de Vrijheid* in the Netherlands, or the AfD in Germany, but also the Hungarian government of Viktor Orbán—quickly recognised the political potential of the mass immigration from a predominantly Islamic region and have since then tried to establish connections between the immigration and the terrorist attacks in Europe, as well as to frame the crisis as a threat not only to the European security, but also to the European cultures and identities.<sup>21</sup> The populist parties' room for manoeuvring in this situation has expanded due to the inability of the EU to agree on a common European refugee policy. One of the most crucial issue still waiting to be addressed and causing the biggest discrepancies among the EU member states is the uneven sharing of the burden among the member states. Although the populist parties have, quite effectively, focused on the numbers (i.e. how many refugees have come in), it needs to be reminded and emphasised that “the present European crisis is a crisis of refugee policy, not a refugee crisis. The numbers in themselves are not the problem; the way in which the European Union deals with them is”<sup>22</sup>.

Third, the British referendum in June 2016 ended with a—for many observers and experts unexpected—victory for the “leave” party. Currently the future of the Brexit is still an open question, since the U.K. has not submitted its application to leave the EU, a formality required according to the article 50 of the Lisbon treaty. Although the British “No” was to some extent related to the European refugee crisis and the eurozone crisis (although the U.K. is not a member of the eurozone), the referendum is also connected to the long tradition of Euroscepticism in Britain.<sup>23</sup> Brexit will strengthen Germany's position and role in the EU and bring forward projects postponed by the British veto.

Fourth, the EU-Russia relations have hit the rock bottom due to the war in Georgia in 2008, the armed conflict in Ukraine since 2014, and the annexation of the Crimean peninsula by Russia in 2014. Additionally, Russian hybrid war actions and disinformation campaigns targeting the public audience in Europe have not only damaged the EU-Russia relations, but also increased tensions along the NATO-Russia axis and the U.S.-Russia relations.<sup>24</sup> Also Russia has good political and economic relations with many far-right-wing parties in Europe and is suspected of seeking to

<sup>21</sup> Wodak and Boukala 2015; Frick and Kalb 2016. For a longer perspective, see Juss 2005

<sup>22</sup> den Heijer et al. 2016, 641

<sup>23</sup> Baker and Schnapper 2015, 61ff.

<sup>24</sup> Baur-Ahrens 2016; Ehrhart 2016

influence European elections with disinformation attacks. Thus far, Germany, together with France, has taken on the main responsibility of conflict resolution measures within the EU, and it has exploited all diplomatic, nonmilitary means possible to prevent the expansion and escalation of the crisis. However, the so-called Minsk agreement agreed upon by Germany, France, Ukraine, and Russia in 2015 still awaits for its full implementation.

The European strategy has not, however, been very successful. This is mainly because “Europe failed to sufficiently raise the perceived costs of noncompliance or lower those of compliance”, but also because “Russia consistently framed the crisis in terms of threatened vital national security interests, whereas Europe’s framing shifted between seeing it as threat to international security and international law to be met by forceful countermeasures and as a direct threat to European security best met by deescalating the conflict”<sup>25</sup>. As a consequence, the crisis in Ukraine has the potential of being transformed into a frozen conflict in the EU’s backyard. The EU’s sanctions against Russia have not been costly enough in order to produce the intended change in Russia, but instead the sanctions have sharpened the conflict, strengthened the position of president Putin, and pushed Russia further away from Europe.<sup>26</sup> Further, the recent rapprochement of Russia and Turkey could severely damage the EU’s negotiation power and room for manoeuvring in settling the refugee crisis through an international solution to the Syrian civil war. Behind this rapprochement lurks pure pragmatism and a shared rejection of the West. As Turkey is mainly interested in economic issues, Russia sees in Turkey a lever by which to weaken the NATO and to strengthen its own geopolitical position in Europe.<sup>27</sup>

Last but not least, fifth, the election of Donald Trump to the 45<sup>th</sup> President of the United States marked a turning point in transatlantic relations. Currently, no clear picture can be painted about the future of transatlantic relations. There is a bunch of big, maybe even huge, question marks all relevant for Europe in general, and the EU in particular. From the perspective of European integration, the most crucial issues are the future of free trade and transatlantic economic relations, the changing role of

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<sup>25</sup> Scazzieri 2017, 21-22

<sup>26</sup> Scazzieri 2017, 22

<sup>27</sup> E.g. “Sie brauchen einander”. SpiegelONLINE, 10th March, 2017 (Online: <http://www.spiegel.de/politik/ausland/recep-tayyip-erdogan-bei-wladimir-putin-russland-und-tuerkei-brauchen-einander-a-1137721.html>, last visited: 11<sup>th</sup> March 2017).

the NATO, and the future of the U.S.-Russia relations. Although President Trump has signaled that the NATO will remain the backbone of European security, he has also demanded a more balanced sharing of costs and a stronger commitment from Europeans to invest in military security. An even bigger question mark applies to Russia, especially in regard to the geopolitics both in Europe and the Near East. Namely, there exists a true risk Europe could decline to a bystander in European affairs, especially if the Trump administration seeks to solve conflicts through “deals”.

The aforementioned developments have had an undeniable influence on undermining the EU’s status, role, and position both among its member states and in global politics. Internally, the EU is being torn apart by not only populist forces seeking to drive a wedge between the member states in questions related to immigration, refugees, and eurozone crisis, but also by member states themselves, due to fundamental differences in ideas and opinions about the future of European integration. The latter aspect was evidenced after the introduction of the recent “White Paper”<sup>28</sup>, in which the European commission outlined scenarios for the future development of the EU. Although many of the ideas presented in the Commission’s paper were not new, the quarrelsome reaction to them showed just how big the gap between the member states actually is. Ironically, at the same time as things are in turmoil, the EU needs—maybe more than ever before—a road-map into the future. Falling back into nationalism would not only be anachronistic, but also a real threat to the most important achievement of European integration, a framework for peaceful resolution of political and economic differences in a continent with a centuries-long history of wars and destruction.

Today, the situation in Europe is even more Germany-focused than it was in 2013 when *The Economist* published its famous article on Germany entitled “Europe’s reluctant hegemon”. Brexit has made the U.K. a “big lame duck” of the EU, strengthening the relative position of Germany as the biggest member state in terms of economy and population. At the same time, however, the old habits of “German bashing” have made a glorious return. Earlier, Germany was bashed with historical arguments, but in the current crisis Germany is bashed with economic and political arguments. A brilliant example of the latter was the Polish resistance against the

<sup>28</sup> [http://europa.eu/rapid/press-release\\_IP-17-385\\_en.htm](http://europa.eu/rapid/press-release_IP-17-385_en.htm) (Online, last visited: 9<sup>th</sup> March, 2017)

reelection of the Pole [!] Donald Tusk as the President of the European Council at the EU-Summit in March 2015, with the argument that Tusk's reelection was dictated by Berlin.

Mostly, however, Germany is being bashed for its austerity policy during the eurozone crisis. According to this criticism Germany has gained structural benefits vis-à-vis its eurozone partners. This, because Germany has applied a moderate pay policy (actually achieved through a painful restructuring of its welfare system called "Agenda 2010"), and many German companies are producing in countries with low(er) unit costs, thus making more profit when selling high-quality (and more expensive) products. Consequently, Germany has maintained its economic strength on the cost of its European partners. From this point of view, Germany should use its economic surplus to help the weaker members of the eurozone.<sup>29</sup>

There is no doubt that Germany has managed the global financial crisis better than many of its European partners. Consequently, the political and economic gap between Germany and other EU member states has widened. However, there is no economic or political copy-paste-mechanism, i.e. the German (economic) way cannot be simply or easily replicated by other countries. Thus, we should accept that a politically and economically integrated area cannot be uniform in all its regions. The strength and success of the EU in the future depends strongly on its capability to turn these differences to comparative advantages.<sup>30</sup>

Germany's current European policy revolves around making the continent more competitive. Prior to the refugee crisis, competitiveness was primarily understood in economic terms. Since the crisis in Ukraine, the refugee crisis, and Brexit, making the continent also *politically* competitive has significantly gained in importance. This change was expressed already in 2015 at the Munich Security Conference, as both the Foreign Minister at the time, Frank-Walter Steinmeier, and the Federal President at the time, Joachim Gauck, demanded Germany to take a stronger role and responsibility in European and global affairs. Since then, the political and economic environment of not just Germany, but all European countries, has undergone fundamental changes. However, neither Merkel nor Schulz have appetite for a

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<sup>29</sup> See especially Kundnani 2016, 154ff.

<sup>30</sup> See also Bastasin 2013

“German Europe” or unilateral leadership. Instead, political leaders in Germany favour consensus-based coalitions in Europe and in global affairs.<sup>31</sup> Against this backdrop it is understandable Merkel has welcomed the option of a multi-speed EU, i.e. the principle of differentiated integration, as this option is build on a coalition sharing a similar vision about the future of the EU.

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<sup>31</sup> Janning and Möller 2016

# Germany and Europe after the 2017 Federal Election: An Outlook

The two sections above focused on the most important domestic and external factors in Germany and in Europe from the point of view of the upcoming 2017 German Federal Election. Domestically, the rise of the AfD is to be the most important structural change and a big challenge. Although the German political landscape has shifted slightly toward a two-party dominated constellation, a relatively strong AfD fraction would make the coalition building significantly more difficult. Externally, the quarrelsome relations between EU member states around current affairs and the future of European integration are of crucial importance for Germany as well. There is a relatively broad understanding among scholars that German chancellors tend to lose federal elections due to domestic affairs and win elections with foreign political success. But in the current situation the dividing line between “domestic” and “foreign” has become blurred, as the most important challenges Germany is facing domestically have their origins in external factors.

Now, six months prior to the 2017 German Federal Election, the following three scenarios regarding the possible outcome seem plausible:

1. The most probable outcome is **the renewal of the Grand Coalition** between the CDU/CSU and the SPD. This is also the favourite coalition of the German electorate: according to the *Forschungsgruppe Wahlen/Politbarometer* almost 30 percent of the respondents favoured the Grand Coalition.<sup>32</sup> The bigger the share of the votes of the AfD is, the more probable the Grand Coalition will be, and the greater the pressure on the government to make adjustments in German and European refugee and immigration policy. A lot depends on how the political climate develops in Europe during the next months. The Dutch election on the 15th of March 2017 should be neither over- nor underestimated in this respect. Although the far-right-wing populist party of Geert Wilders did not succeed in seriously challenging the government in office, Germany and the Netherlands are not politically fully comparable. We should keep in

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<sup>32</sup>[http://www.forschungsgruppe.de/Umfragen/Politbarometer/Langzeitentwicklung - Themen im Ueberblick/Politik I/#KoalWunsch](http://www.forschungsgruppe.de/Umfragen/Politbarometer/Langzeitentwicklung_-_Themen_im_Ueberblick/Politik_I/#KoalWunsch) (Online, last visited: 11<sup>th</sup> March, 2017)

mind, that where Wilder's party underachieved also in the EP elections in 2014, was the AfD's share well in line with polls. The lesson to be learned here is twofold. On the one hand, Europe and European affairs matter, at least when they are made visible in the national polity. On the other hand, clear and understandable political answers do matter as well. The so-called established political forces must challenge populist rhetoric not through ignorance, but with clear-cut argumentation based on a clear political agenda. The most effective way to feed populism is to handle it as if the "man [and woman] in the street" would not matter.

Whether the next Chancellor's name is Angela Merkel or Martin Schulz is a more complicated question. Merkel clearly profits from her good record in European and international crisis management, but also from the good economic situation in Germany. This proven stability will bring her an additional Chancellor's bonus, especially if the European and international context remains in flux. Schulz's biggest disadvantages are his inexperience in German domestic politics, but also the paralysing crisis of European social democrats. The latter was, once again, evidenced in the Dutch election, where the Dutch social democrats lost twenty percent points. The German SPD cannot just sweep this under the carpet by replacing the party programme with Schulz's campaign. Although the German Chancellor is one of the leading European politicians, she or he is also Germany's leader. In many issues Schulz takes a different position to Merkel, a constellation which might bring some advantages. Although thus far, Schulz has not presented a clear profile as it comes to substance in many key areas. This might work against Schulz, especially if his strategy is to pace Merkel in questions related to Syria or Russia. To repeat it once again, Merkel has a strong track record in global and European conflicts, which entails that Schulz has a relatively limited room for manoeuvring in this domain.

From the perspective of European integration a Grand Coalition under Merkel would continue to prefer pragmatism over experiments. Merkel seems to prefer an integration concept where the bigger states—Germany, France, Italy, and Spain—should take on a stronger responsibility for the future of the EU. Schulz, in turn, prefers a stronger (economic) solidarity in the EU, thus being

in favour of the eurobonds and more relaxed fiscal regulations. Adopting these would mean a clear change in Germany's eurozone politics. However, both Merkel's and Schulz's Germany would remain committed to Europe in general, and the EU in particular, as the framework for German politics.

2. The smaller the gap between the SPD and the CDU/CSU is, the more probable it is that the SPD will sound possibilities for a **red-(deep) red-green coalition** of the SPD, *Die Linke*, and the Greens. A prerequisite for this to happen is that such a coalition would gain majority in *Bundestag*. Some researchers have pointed out, that if the SPD excluded a coalition with *Die Linke* from its post-election options, it would further distance itself from the socially marginalised cleavages. Since the FDP currently positions itself as a right-wing alternative to the social market economy, the political and programmatic distance between the SPD and its traditional "junior partner" has increased, not decreased, making a SPD-FDP-cooperation improbable. However, between the SPD and *Die Linke* there exist substantial differences in core political questions related to the NATO membership, the relations with Russia, and to many social policy issues.<sup>33</sup>

From the perspective of European integration a red-red-green coalition would mark a major turn in Germany's European politics. First of all, Germany would most probably abandon its current eurocrisis policy, and also reposition itself in regard to Russia and the NATO. It is highly questionable whether the German electorate is supporting such a radical turn.

Although recent opinion polls indicate a stronger support for the CDU/CSU and the SPD, a return to a full bipolar party system with center-left or center-right coalitions seems questionable. Although Grand Coalitions might ensure thick majorities and, thus, avoid political deadlocks, they have a negative impact on parliamentary processes since they limit the possibilities for the opposition parties. Hence, Grand Coalitions should not be seen as politically eligible. A more favourable way out of the current situation would be the widening of the coalition options through programmatic development and rapprochement. In the future all parties committed to European integration

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<sup>33</sup> See especially Decker and Jesse 2013, 52ff.



and the constitutional democracy should be offered the possibility to participate in coalitions.

3. Although there is a number of other coalition options—SPD-Greens, CDU/CSU-Greens, CDU/CSU-FDP-Greens (i.e. “Jamaica”), or SPD-FDP-Greens (“Traffic light”)—all of them are very improbable in the current situation. Some coalition alternatives (SPD-Greens, CDU/CSU-FDP) have no realistic expectations for a majority, others (CDU/CSU-Greens or “Jamaica”) have huge difficulties in finding shared (or even close enough) positions in the most central issues. This, however, does not mean that the constellation will remain the same in the future. In Germany, *Länder*-level coalitions are often seen as the testbench for alternative coalitions. Facing the challenge of nationalist, far-right-wing populism not just in other European countries, but in Germany as well, could be the decisive political game-changer, which would defend and elucidate the anti-totalitarian political foundations and the positive achievements of European integration in Germany and Europe.

## Concluding remarks

Predicting is a difficult task, especially when it comes to predicting the future in times when everything seems to be changing. Some of the trends and developments discussed in this paper are long-term by nature in the sense that they have been observable already for many years, but at the same time many factors and elements discussed in this paper are totally new and therefore their long-term impact is difficult to assess. I hope, that with this paper I have succeeded in clarifying the most important elements of the political landscape in and around Germany, when considering the 2017 German Federal Election.

Interestingly, as has been pointed out throughout the paper, the most important contemporary domestic problems and challenges are, in fact, rooted in European politics. This does not mean that they are caused by the EU or European integration, but that there are external, global factors behind them, on which Europeans have only a limited influence. The European national governments have also sharpened the situation through their unwillingness to and/or incapability of finding a common European politics. In other words, abandoning the EU will not solve these problems, but instead take us back in time to Nationalism, which would in turn dramatically weaken Europe and the European states. Consequently, the risk of intra-European conflicts would increase considerably. In a global word Europe, consisting of small or middle-sized states, can hope for a global influence and reputation only when acting together.

The context of this paper has been that of European integration and Germany's role and status within it. Despite Germany's strong commitment to European integration we should not forget, that in the 2017 German Federal Election the German electorate is electing a new federal parliament, *Bundestag*, which will lead the country for the next four years. Europe and European integration will surely impact the voting behaviour, but it is only a part of a bigger picture. The evening of the 24<sup>th</sup> of September 2017 will tell us whether the Germans preferred continuity over change—or *vice versa*.

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