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Germany: a fourth term in office for Angela Merkel?

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In Germany elections come and go and also look very much like one another. Unlike the most recent European elections, from the 2016 British referendum, over the country's exit of the EU, to the French presidential election and the general election in the Netherlands this year, the election in federal Germany on 24th September next appears to be a factor of stability. In one month's time 61.5 million voters are being called to ballot in the German Republic to renew the Bundestag, the lower Chamber of Parliament. The battle will be between outgoing Chancellor Angela Merkel (Christian-Democratic Union), who is running for a fourth term in office as head of the Germany government and the former President of the European Parliament (2012-2017) Martin Schulz (Social Democratic Party, SPD), who is running for the first time for the post of Chancellor.

Angela Merkel is the main favourite in these general elections. When she announced that she would be running this year her adversary witnessed a sharp rise in his popularity ratings and pushed voting intentions for the SPD upwards – so that the party achieved its highest results in the opinion polls for a very long time, even pulling ahead of the CDU 17 times between the end of January and the beginning of April. However, this break in the clouds did not last long and the Social Democrats now lag far behind the Christian Democratic right in the polls.

According to the most recent opinion poll by Emnid, the CDU is due come out ahead in the election on 24th September next with an easy 39% of the vote. It is due to take the lead over the Social Democratic Party, which is forecast to win 24% of the vote; the Left Party (Die Linke) is due to win 9% of the vote; the Greens and the Liberal Democratic Party (FDP) 8% each (the FDP should then make their return to the benches of the Bundestag from which they were excluded in the previous elections on 22nd September 2013) and Alternative for Germany (AfD) is due to make its entry into parliament with 7% of the vote. Victory by the outgoing Chancellor's party seems to be a foregone conclusion. *"Everything leads us to believe that the victor's name is already known, just like the name of the loser. Martin Schulz is working*

hard. But he lacks spark, the spirit. He is finding it very difficult to position himself as an alternative candidate to Angela Merkel," we read in the weekly *"Der Spiegel"*. The only doubt that remains involves the political party (or parties) with whom the outgoing Chancellor will decide to join forces to govern Germany over the next four years. Although her popularity rating has declined, it is still high however (59%), ie 26 points above that of her rival Martin Schulz (33%).

According to an Infratest Dimap poll in the first fortnight of August, half of the Germans (52% - of whom nearly a quarter were SPD supporters (22%) and half were close to the Greens, 49%) hope that Angela Merkel will retain her post, a small third (30%) would prefer Martin Schulz to replace her.

The Christian Democratic Union won the three regional elections that took place this year in Germany: on 26th March in Saarland, 7th May in Schleswig-Holstein and a week later in North Rhine Westphalia, the industrial hope region of many Social Democratic leaders like Martin Schulz. Local factors only explain in part the SPD's successive defeats. After the local elections the Christian Democrats and the Liberal Democrats joined forces in Schleswig-Holstein and North Rhine Westphalia which they now govern together.

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The official campaign for the general elections started on 13th August last. Angela Merkel and Martin Schulz will face each other in a televised debate on 3rd September next.

ANGELA MERKEL, THE ELECTION FAVOURITE

"The time has come. I have thought this over carefully. I have new ideas," declared Angela Merkel on 20th November last as she confirmed that she would be running for office again. The "Teflon" Chancellor, as her enemies like to call her, (since they regret that no criticism of any kind seems to affect her and that she offers no quarter to her rivals), or Mutti (mum), to the Germans, launched a new election campaign, running under the banner "A Germany where life is good" and the country's colours, black, red and gold, so that no one else can take on the patriotic cause.

As in the previous elections the outgoing Chancellor has focused the campaign on herself, a strategy that has always been particularly successful for her. The true embodiment of Germany, she understands better than anyone else what her fellow countrymen and women want. Two thirds of them (65%) approved her choice of standing again as the lead candidate for the CDU in the general elections.

Angela Merkel finds the exercise of power to be the best form of electoral campaign. The outgoing Chancellor can use her results as a support, notably her economic performance over the last four years as head of government – results that are deemed satisfactory by a great majority of the Germans.

GDP growth was high at 1.9% in 2016, i.e. the highest since 2011; it lay at 0.7% in the first quarter of this year and at 0.6% in the second. Unemployment is at its lowest ebb since reunification in 1990 and now totals 3.9% (6.7% for young people) i.e. the lowest rate in the EU. The working population totals 43.7 million people, a record, and the Federation of German Industrialists is counting on the creation of 500,000 more jobs this year.

Public accounts are in surplus, with the current account lying at 8.7% of the GDP; the trade surplus totalled 252 billion € in 2016. The sovereign debt totals 66% of the GDP and is due to fall in line with the budgetary goals set by the EU by 2020, falling below the 60% mark (57%). The CDU's programme focuses on the results of the last

three terms in office led by Angela Merkel. The latter stands as the guarantor for the country's stability and prosperity. Unlike other leaders in Europe who have recently been "shown the exit" (David Cameron in the UK, François Hollande and the Socialist Party in France, Matteo Renzi in Italy), Angela Merkel continues to enjoy the trust of most of her country men and women. Her message is always the same: why run the risk of the unknown when the German economy is winning and that Germany is stronger than ever before, in Europe as it is in the world?

"The Germans believe that the economy is better than it was in 2005 when Angela Merkel came to office, that it is in a better condition than that of the other major European countries and that naturally is to the outgoing Chancellor's advantage," maintains Michael Kuneert at Infratest Dimap. Indeed the Germans are convinced that they have weathered the crisis better than other Europeans thanks to the good management and the strict policy undertaken by the outgoing Chancellor.

Angela Merkel can also rely for support on the international recognition of her authority. *"Foreign policy has become a major cause of concern in Germany. Donald Trump's victory in the US presidential election, doubts over the future of Europe with the Brexit, increasing tension with Turkey, the complicated relationship with Russia – all of this worries the Germans. And in these areas the Chancellor's experience plays in her favour and voters deem that she is the best placed to defend the country's interests. In this uncertain world she embodies reassuring stability,"* analyses Michael Kuneert of Infratest Dimap. *"Martin Schulz is just someone from the provinces. Angela Merkel has a plus point here since she is the woman at the top. Faced with the concern that arose in Germany after the election of Donald Trump, the Brexit and the rise of populism, the Chancellor appears to be the best rampart to counter this and an axis of stability in the eyes of most,"* confirms Gero Neugebauer, a political analyst from the Free University of Berlin.

"The Germans see that the economy is flourishing and that exports are at their highest level. They find it hard to imagine that their country could do better. On the contrary they believe that tomorrow will necessarily be worse than today, hence the will to extend the present

as long as possible. But who embodies this state of permanence better than Angela Merkel?" wonders Stephan Grünewald, the founder of the Rheingold institute. "Re-electing Angela Merkel is both a means to extend this present and to continue with her, via the calmness she exudes and the her experience; she is readily deemed to be the most able to 'tame' impulsive, worrying leaders like Donald Trump, Vladimir Putin and Recep Tayyip Erdogan," he adds.

Finally, the outgoing Chancellor is taking advantage of the her rivals' weakness and of the absence of any credible, alternative candidate to the point that the former Minister-President of Schleswig Holstein Torsten Albig (SPD) said "As long as Angela Merkel is Chancellor, we don't need to bother putting forward a Social Democratic candidate to challenge her."

For the Chancellor Europe and employment are the two main issues in the electoral campaign. The CDU's programme is promising prosperity and security for all thanks to full employment (unemployment rate below the 3% mark) which is due to be achieved in 2025. "If we had spoken of full employment in 2005, people would have laughed in our face, at the time I had to take on 5 million unemployed. In 2017 we have managed to cut this number by half and now we can say that we want to divide this figure again by two," declared Angela Merkel.

The party is planning to cut income tax by 15 billion € per year for the middle classes and to increase the threshold of the highest tax band (42%) from 54,000€ annually to 60,000, the gradual elimination of a specific type of social tax, the distribution of fiscal aid to families for their first step on the property ladder, the relinquishment of all reforms to retirement pensions in the next 30 years, the construction of 1.5 million new houses by 2019, the creation of 15,000 jobs in the police force and 12 billion € investment in the digital network – and all of this without interfering in any way with public finances.

Angela Merkel has declared that she wants a third of the budgetary surplus to be devoted in investments in infrastructures. She has also promised to review the reunification tax, a contribution of 5.5% on private income and businesses introduced in 1991 to fund work to bring the Länder of the former German Democratic Republic up to speed.

Angela Merkel's opponents accuse her of refusing to engage in debate, "Since 2009 Angela Merkel has had only one strategy: not to take up any position. Whilst we have engaged debate with public opinion, the other side remains silent. The CDU has but one strategy and that is to promote Angela Merkel as a person," declared her main rival Martin Schulz, who has qualified this attitude as "arrogant and a threat to democracy."

Angela Merkel excels also in adopting the arguments put forward by her rivals. The adoption of the law on same-sex marriage is a perfect example. Whilst the SPD and the Greens made the bill's adoption the condition for their participation in any new government coalition with the CDU, the outgoing Chancellor, who has been against same-sex marriage over the last four years, so as not to upset her Catholic electorate, suddenly changed tack, relaxing her position as she allowed each of the MPs in her party vote according to his/her conscience on the issue. As a result on 30th June last, i.e. three months before the end of her term in office, Germany became the 14th country in Europe to legalise marriage between two people of the same sex, a measure supported by three-quarters (72%) of the German population, 393 votes in support, 226 against. 75 CDU MPs voted in support of the text.

ARE THE SOCIAL DEMOCRATS CONDEMNED TO BE DEFEATED AGAIN?

Martin Schulz officially stated that he would be running for the post of Chancellor on 27th January. His announcement raised the voting intentions for the SPD in the polls. The party even welcomed new members to its fold (around 17,000 in three months). The Martin Schulz effect did not last however and the left's discourse failed to remobilise the share of social democratic sympathisers who have been disappointed by their party's increasingly centrist ideology.

"At the beginning of the year Angela Merkel was weakened by the refugee crisis. Martin Schulz was a new face and was a potential alternative solution. However the integration of refugees then no longer appeared to be a major issue and the outgoing Chancellor's popularity returned to a new high," indicated Gero Neugebauer, a political analyst at the Free University of Berlin, "Voters especially want to hear about security

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and crises that are disrupting the planet, which is traditionally the prerogative of the CDU," he stressed.

The former President of the European Parliament was however elected with 100% of the vote as head of his party on 19th March last, the best result achieved by a candidate running for this position since 1948. *"Martin Schulz is almost a new man. He bears no scars of the crises suffered by the SPD over the last fifteen years. He supported Gerhard Schröder's liberal reforms but his name is not linked to the 2010 Agenda,"* indicated Geo Neugebauer. *"Martin Schulz appears as a man from the outside of the Grand Coalition between his party and the CDU led by the federal government since 2013. He gives people the impression that his feet are firmly on the ground, that he is credible, and close to people,"* stresses Nico Siegel, Chair of the pollster Infratest Dimap.

Martin Schulz, MP in the Strasbourg parliament since 1994, has never been a member of the Bundestag. *"It is the first time that someone has undertaken his entire political career at European level and is now trying to make his debut in the national arena. Usually it is the other way round,"* noted former MEP (1994-2014), Daniel Cohn-Bendit (green). Martin Schulz is campaigning on the theme of social justice. *"The combination of social protection and training, this is my project,"* maintains Mr Schulz, who wants to distribute more to the poorest and increase taxation of the richest. He wants the obligation to investment to be included in the Constitution.

"Many people believe that nothing should be changed because Germany is doing well. This is a massive mistake. Yes, Germany is strong. But not everything is going well for all of the Germans. We should note one thing: if we do not invest now it is our future that we are putting at risk," he repeats, adding, *"of course we should not leave debts to the future generations but we must not leave dilapidated infrastructures either."* However Martin Schulz has constantly to make sure that he does not paint too black a picture of the present situation, since the SPD has governed with the CDU during the last term in office.

The SPD's programme promises to lighten the volume of income taxes set on the middle classes by 15 billion € and conversely to step up taxes paid by the wealthiest in order to increase spending in support of public investment and the revival of consumption. At the same time Martin

Schulz wants to reduce the German trade surplus by increasing imports from other European countries. *"Our project is good for Germany but also for Europe,"* he likes to repeat. In order to avoid punishing the middle classes, the Social Democrats want to raise the annual income threshold to 76,200€ at which point it would establish a higher tax band on income (this threshold lies at 54,000€ at present and at 60,000€ for single people). The highest revenues, those over an annual 250,000€, would be subject to a special tax that would total 48% of the income (against a present 45%). Finally, regarding capital revenues, the SPD wants to replace the fixed pay-as-you-earn rate (set at 25% of private capital income) introduced in 2009 by Finance Minister Peer Steinbrück (SPD) to counter tax evasion, by a graduated system so that work and capital are taxed in the same way.

Martin Schulz has also promised to extend the length of time it is possible to receive unemployment benefits, to restrict the use of temporary work contracts, notably regarding young people, and to review the minimum retirement pension upwards in order to maintain pension levels at 48% of the average income. If he is appointed Chancellor he hopes to introduce an alliance for education within the first 50 days of his term in office and to create a State funded training savings account for all adults.

Martin Schulz is fighting for the revival of European integration, a fight he deems has been neglected by Angela Merkel over the last 12 years. He supports the idea of a common budget for the euro zone countries to promote growth and employment and to prevent financial crises; he also supports the appointment of a European Finance Minister but he is against the use of Euro Bonds, ie any pooling of the debt.

Finally he does not support the respect of NATO's requirement that each Member State devotes at least 2% of its GDP to defence. *"We do not guarantee security with rearmament. Bringing the defence budget up to 2% of the GDP would mean Germany devoting between 20 to 30 billion € more per year to the Bundeswehr. This would mean that in ten years' time Germany would have Europe's biggest army. I favour the limitation of arms in Europe and the world, even though we have to cooperate better in terms of armament and the purchase of military equipment in Europe,"* he declared in an interview in the daily 'Le Monde' on 24th July last.

According to the polls most of the Germans want the present grand coalition to continue its work. And in the same way: i.e. led by Angela Merkel and in which the SPD is the junior partner. The SPD draws no benefit from its participation in power although the introduction of the minimum wage, the reform of the retirement pensions, the introduction of quotas of women at the head of major businesses, the acceptance of same sex marriage were all projects initiated by it.

It would be difficult for the SPD to plan a return to office without an alliance with the Greens and also with the Left Party. But whilst the ecologists are leaning increasingly to the centre, Die Linke adopted a very left wing programme during its federal congress organised in Hannover on 9th to 11th June last, which is far from the ideas defended by the social democrats, as they voted in support of Germany's exit from NATO and the lifting of sanctions against Russia.

WITH WHOM MIGHT ANGELA MERKEL BE ABLE TO GOVERN?

Will the Greens make their move?

The Greens hope to become the hinge-pin of the government coalitions as the Liberal Democratic Party (FDP) once was for many years. An alliance between the CDU and the ecologist party is now all the more likely since Angela Merkel's party has changed its discourse from a societal point of view, whilst the Greens have done so from an economic point of view. The decision of 4th August last, taken by regional MP of Lower Saxony, Elke Twesten to leave the Greens to join forces with the CDU caused the loss of the majority on the part of the government formed by the social democrats and the ecologists led by Stephan Weil (SPD) by one vote, which it enjoyed in the regional parliament. As a result early regional elections have been organised for 15th October next in this *Land*.

The return of the Liberal Democrats (FDP)

The Liberal Democratic Party, driven from the Bundestag in the last general elections on 22nd September 2013, intends to recover its position on the benches of parliament. The resilience of the party in the

polls might enable Angela Merkel to pitch it against the Greens during the formation of the next government. The outgoing Chancellor might also - in the event of victory - invite them both to join her government by choosing to form a so-called Jamaican alliance due to its three main colours (black, yellow and green), which make up the colours of this country's flag, which are also the colours of the CDU, FDP, and Greens respectively.

"*We are independent and we are not going to take the first partner who comes along,*" declared the Liberal Democratic leader Christian Lindner during his party's congress in Berlin in April. The latter wants to rejuvenate and diversify the issues on which the FDP positions itself so that it is no longer identified just with the defence of the richest or claims related to reducing taxes.

The entry by the populists into parliament

Created in the spring of 2013, Alternative for Germany is now divided between a conservative branch, focused on issues like immigration, maintaining order, the place of Islam in society, and a more realistic trend, represented by Frauke Petry, who was relegated to the minority by the AfD's executive during the Congress in Cologne on 22nd and 23rd April last. During this event Alexander Gauland, a former CDU member and Alice Weidel were appointed by 67.7% (600 party delegates) to lead the AfD's electoral campaign.

The party supports Germany's exit from the Single Currency, direct democracy, the closure of the borders, the end of dual nationality, the tightening of asylum laws and the introduction of the mass expulsion of immigrants deemed to be dangerous or who are living in Germany illegally. The party wants to prevent the reunification of refugee families in Germany and deprive immigrants who are guilty of crimes of the German nationality. It also wants Islam to be declared incompatible with the German culture.

The Alternative for Germany qualifies its 78 page programme as *Realpolitik* and says it is confident of entering office in 2021. "*We are a populist movement and proud of it,*" declared Alexander Gauland, who has set himself the goal of winning 15% of the seats in the Bundestag. Since the general election on 2nd December 1990 no new party has entered the lower

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house of the German parliament. The AfD which is represented in 13 of the 16 regional assemblies might be the first far right party¹ to achieve this since 1949.

THE GERMAN POLITICAL SYSTEM

The German Parliament is bicameral, comprising a lower Chamber, the Bundestag and an upper Chamber, the Bundesrat. The elections, whereby the members of the Bundestag are appointed, take place every four years according to a mixed system that combines the single majority vote and the proportional list vote. Every voter can cast two votes. The first of these (*Erststimme*) enables the voter to make a single choice and appoint a candidate as MP in the constituency (*Wahlkreis*) where he/she lives.

The country has 299 constituencies; the MPs elected in this manner win a direct mandate ranging from two seats in Bremen, four in the Saarland up to 64 in North Rhine Westphalia. The second vote (*Zweitstimme*) enables the voter to choose a political party represented on a list of candidates across the "Land" (Germany has sixteen *Länder*). The seats are attributed according to the Sainte-Laguë method. The percentage of the second vote decides on the number of seats that are given proportionally to each party and ultimately the balance of power between the parties in the Bundestag.

Only the parties which have won over 5% of the votes cast nationally or with three direct mandates on a single vote can be represented in the Bundestag. If a political party wins more direct mandates in a Land than the number of seats granted to it according to the number of second votes it still retains the number of surplus mandates (*Überhangmandate*). This explains why the number of members in the Bundestag is variable.

The German electoral system aims to support a stable parliamentary majority and to avoid the fragmentation of the political arena as seen under the Weimar Republic (1919-1933), when the excessive number of parties represented in parliament made the formation of a government almost impossible. In 1949 11 political parties were represented in the Bundestag, there were only four in 1957 and only 3 (bringing together the CDU and the CSU under one banner) between 1961 and 1983 (SPD, CDU/CSU and the FDP). In 1983, the Greens managed to rise above the 5% mark of the votes cast

to enter Parliament; they were followed in 1990 by the Party of Democratic Socialism (PDS) that formed in the wake of the United Socialist Party (SED) of the former German Democratic Republic (the former Communist MPs entered the Bundestag one year after the fall of the Wall), the forerunner of the Left Party (Die Linke).

5 political parties are represented in the Bundestag at present:

- the Christian Democratic Union (CDU), founded in 1945 led by the outgoing Chancellor Angela Merkel in office since 2005 – with 255 MPs;
- the Christian Social Union (CSU), founded in 1946 and led since the end of 2008 by Minister President of Bavaria Horst Seehofer, has been cooperating electorally with the CDU since 1953. According to their agreement the CDU does not put forward any candidates in Bavaria and the CSU only runs in this Land. The CSU has 56 seats;
- the Social Democratic Party (SPD), founded in 1863, is the oldest political party in Germany and has 193 MPs;
- the Left Party (Die Linke), a populist party on the left was created in June 2007 after the merger of the Party of Democratic Socialism (PDS), that was born of the GDR's United Socialist Party (SED), with the Alternative for Work and Social Justice (WASG), a movement created on 22nd January 2005 and which rallies the former communist elite and those disappointed by social democracy. Led by par Katja Kipping and Bernd Riexinger, it has 64 seats;
- Green/Alliance 90 (Grünen), the result of a merger in 1993 of the Alliance 90, a former GDR civic rights movement, with the ecologist party. Led by Katrin Göring-Eckhardt and Cem Özdemir, with 63 MPs.

The German parliament also has an upper house, the Bundesrat, comprising members of the governments of the country's 16 *Länder*. Each region has at least three votes; those comprising more than 2 million inhabitants have four votes; those with more than 6 million, 5 votes and finally those with over 7 million, 6 votes. In all the Bundesrat has 69 members.

Germany also elects (indirectly) its president of the

1. *The Alternative for Germany is increasingly qualified as a far right party. On 8th May last the party organised a joint meeting with the Patriotic Europeans against the Islamisation of the West (Pegida), an association which counters radical Islam and the "Islamisation of Germany".*

Republic every five years. Frank-Walter Steinmeier (SPD) was elected on 12th February last to this office by the Federal Assembly, which brings together 630 members of the Bundestag and an equal number of MPs from the country's 16 *Länder* and personalities from civil society.

Reminder of the results of the federal elections on 22nd September 2013 in Germany

Turnout: 71.5%

Political Parties	Majority vote			Proportional vote			Total No. of seats
	No. of votes won	% of votes cast	No. of seats	No. of votes won	% of votes cast	No. of seats	
Christian Democratic Union (CDU)	16 233 642	37,20	191	14 921 877	34,10	64	255
Social Democratic Party (SPD)	12 843 458	29,40	58	11 252 215	25,70	135	193
Left Party (Die Linke)	3 585 178	8,20	4	3 755 699	8,60	60	64
The Greens/Alliance 90 Bündnis 90 / Die Grünen (Grüne)	3 180 299	7,30	1	3 694 057	8,40	62	63
Christian Social Union (CSU)	3 544 079	8,10	45	3 243 569	7,40	11	56
Liberal Democratic Party (FDP)	1 028 645	2,40	0	2 083 533	4,80	0	0
Alternative for Germany (AfD)	810 915	1,90	0	2 056 985	4,70	0	0
Pirate Party (Piraten)	963 623	2,20	0	959 177	2,20	0	0
Others	406 695	3,40	0	1 761 148	4	0	0

Source : <https://www.bundeswahlleiter.de/en/bundestagswahlen/2013/ergebnisse.html>

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