THE GERMAN GENERAL ELECTION 2013 – RESULTS AND CONSEQUENCES

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Chancellor Angela Merkel gained a tremendous victory in the German general election of September 2013. In fact her victory was so all-encompassing that her junior coalition partner since 2009, the small liberal FDP, did not manage to squeeze back into parliament. With less than 5 per cent of the national vote (4.8 %), the party fell victim to one of Germany's most important electoral rules - the so-called 5 per cent hurdle (it was invented due to the experiences with the ill-fated Weimar Republic of the 1920s; the 5 per cent rule is meant to prevent the splintering of parliament into too many small party factions).

Four years ago the FDP had gained an impressive 14.6 per cent of the vote. Next to Merkel's hegemony in German politics the Liberals, however, were unable to maintain a separate identity during the following four years. For the first time since 1949 when the Federal Republic was established, the FDP will not be represented in the national parliament. For the first time since World War II the neo-liberal pro-business FDP will be unable to use its influence to have a decisive say regarding the coalition that governs Germany.

The election gave Angela Merkel and her conservative Christian Democratic Union (CDU) and its Bavarian sister party (CSU) a clear mandate for remaining in power. After all, Merkel and her party won 311 seats of 631 in

the new German parliament. These are a mere five seats short of an absolute majority. Only West Germany's founding Chancellor Konrad Adenauer managed to actually obtain an absolute majority. But this was in 1957 when the political and social differences among the parties were still much clearer and when the West German voters were much more loyal to their party political affiliations.

This loyalty has largely disappeared. The Social Democrats (SPD), the formidable people's party (*Volkspartei*) of Willy Brandt and Helmut Schmidt, gained a mere 25.7 per cent of the national vote. This was up 2.7 per centage points on the result of the 2009 election. Still, compared to the SPD's stellar results in in the 40 per cent range in the 1970s and 1980s and also as late as 2002 under Chancellor Gerhard Schroeder (41.9 %), this was a rather poor performance. Much of the political appeal of the SPD among the working and middle class voters of the center left have been stolen by Merkel's fairly liberal domestic policies. The support of family oriented policies, the provison of kindergarden places and the phasing out of nuclear energy are among Merkel's progressive policies.

Yet, with the loss of her all-to-willing Liberal coalition partner, forming a new German government has proven very difficult for the Chancellor. Essentially she has only two options. She can form another Grand Coalition with the SPD as she did between 2005 and 2009 or she can attempt to form the first Conservative-Green coalition at federal level. At regional level a number of Conservative-Green coalition arrangements have worked fairly well. While talks between the two camps have taken place, the environmentalist Greens withdrew from the negotiations. The political differences regarding, for example, the introduction of a statutory minimum wage which still doesn't exist in Germany, immigration and energy policies and other social and

welfare issues remained too great. Most controversial were the reform of Germany's asylum policy and an overhaul of the rules for dual citizenship for immigrants.

Moreover, the Greens did not receive a mandate to enter into government with Ms Merkel from their voters. They obtained only 8.4 per cent of the vote, 2.3 per cent less than at the previous federal election. Even the controversial ex-communist party *Die Linke* received 8.8 per cent of the vote and thus even became the third strongest party in the German parliament. As a reaction to their unexpectedly poor electoral showing the Greens replaced their entire national leadership. The new untested personnel would hardly be in the best position to immediately take over ministerial office and co-run the country. Moreover, in view of the electoral collapse of the FDP the Green rank-and-file are fearful that 'going into bed' with Ms Merkel would lead to an even more disastrous electoral backlash in four years time.

This is also the SPD's greatest fear. And not without reason. After the modestly successful Grand Coaltion of 2005-09, the SPD were punished at the ballot box and lost almost 11 per cent of the vote (they obtained 23.0 %) as compared to their national electoral performance in 2005 when the party gained 34.2 per cent. Still, it appers another Grand Coalition is on the cards. The price Merkel is prepared to pay for obtaining this is still unclear but a large price she will have to pay. Both the stability of the country and the lure of being in government and thus able to shape national policies and holding ministerial office is likely to sway the SPD into once again joining a Grand Coalition led by Angela Merkel.

But this time the SPD is in an even more precarious position. While in 2005 the party won 34.2 per cent of the national vote and thus only slightly less

than the CDU/CSU's 35.2 per cent, this time round the SPD would clearly be the junior partner in the coalition. After all, the gap between the two parties consists of almost 16 per cent and 120 parliamentary seats. Still, if Merkel was prepared to pay a high enough political price – like accepting a minimum wage and making concessions regarding SPD ideas about immigration reform and higher taxes on the wealthy – there hardly would be any rational for the SPD leadership to turn down governmental responsibility.

Theoretically the SPD, the Greens, and the hard-left party, *Die Linke* (with its origins in the former communist party of the GDR) would have a slight majority of parliamentary seats if they were able to agree on forming a coalition. This is unlikely however. The SPD does not tire of repeating that *Die Linke* is not ready to govern. Its socialistic and pacifist policies are unacceptable to the much more moderate SPD. Die Linke, for instance, favors the dissolution of NATO and the withdrawal of all German troops from UN and NATO missions abroad.

The brand new party, *Allianz für Deutschland (AfD)*, however, did not manage to enter parliament, due to the 5-per-cent rule. Still, with 4.7 per cent the AfD, which was only founded in February 2013, obtained an impressive number of votes. While the party is wrongly described as anti-European, AfD is indeed hostile toward providing bail-out moneies to Greece and other southern EU members. It wishes to abolish the Euro and go back to the introduction of national currencies, such as the cherished *Deutschmark*. The party, however, does not desire the dissolution of the EU or does not wish for Germany to leave the EU. Although the AfD narrowly missed obtaining parliamentary seats, the party clearly demonstrated that

Germany is not exempt from the rapid growth of Europe-skeptic sentiments that can be observed in many European countries.

The likely policies of the new Grand Coalition

Assuming that Chancellor Merkel and SPD leader Sigmar Gabriel will be able to agree on the formation of a new Grand Coalition, what will be the policies of the new government? It is safe to assume that no radical departures can be expected. Angela Merkel's two main goals for the next few years are the stabilisation of the eurozone and the reform of the federal structure in Germany. What the latter is precisely meant to result in remains unclear however. Still, the looming financial difficulties of all 16 German regional states and their need for infrastructure investments need to be tackled. After all, a recently introduced law requires all German states to balance their budgets within the next few years. Other issues close to Merkel's heart are policies to deal with Germany's ageing population and the question of how to contain the soaring costs of the transition from nuclear power to other sources of renewable and fossil energy.

If the SPD joined Merkel in a Grand Coalition the clearest difference in German policies could perhaps be noticed in the new government's strategies toward Europe and the Euro zone crisis. Gabriel and other senior SPD leaders have a track record of criticising Merkel's auterity policy at the expense of growth and employment. Still, the SPD is also opposed to quantitiave easing programs (essentially debt-financed stimulus policies). The SPD is particularly concerned about high youth employment in many EU countries. In a speech in Hanover in mid-October 2013 Gabriel described Europe's youth employment as the continent's "biggest disgrace."

Due to the influence of the SPD many analysts therefore cautiously expect that the Grand Coalition "could adopt a sofer, more conciliatory tone towards struggling southern euro members," (Reuters, Oct. 18, 2013) such as Greece, Cyprus and Portugal. After all, in his Hanover speech Gabriel emphatically stated that his country should "not forget that Europe is not a burden for Germany, it is not a weight on our shoulders, quite the contrary. Our economic future depends on Europe." He also outlined that "we are not helping other countries just because we're good people, because we want to soothe our conscience and be nice. We are also helping because it serves out interests. We need to stabilise Europe because otherwise joblessness and growth problems will spread to our country." (ibid.)

This is indeed true. The new Grand Coalition might therefore pursue a somewhat more open-minded policy toward the southern European eurozone members. In particular this can be expected to be the case if long-serving tough CDU Finance Minister Schäuble is replaced by a minister from the ranks of the Social Democrats. The outcome of Germany's general election of 2013 may thus still provide us with a few welcome developments.