

GERMAN LEGISLATIVE ELECTIONS RESULTS AND IMPLICATIONS: MERKEL WINS FOURTH TERM, BUT RIGHT WING GAINS

September 26, 2017

- I. Executive Summary: In the last year, we have reviewed results and implications of the U.S., U.K., and French presidential and legislative elections, as well as the U.K. Brexit referendum and subsequent activation of the Brexit process. We continue the series with our review of the September 24, 2017 German legislative elections.

The results of the election were mixed. Chancellor Angela Merkel and her center-right Christian Democratic Union (“CDU;” “CSU” in Bavaria) party won a fourth term, with the center-left Social Democratic (“SPD”) party coming in second, but the far right wing, “populist” Alternative for Germany (“AfD”) party broke through in a way that its counterparts in the U.K., France and the Netherlands had not in earlier elections this year. The AfD, formed only four years ago, came in third, and will be the first far-right party to enter the Bundestag since 1961.

- II. Results: According to preliminary results, the CDU/CSU won 33% of the vote, the SPD 20.5%, and the AfD 12.6%, more than doubling its vote count from the last election. In the new Bundestag, the CDU should have 246 seats, down from 311 in 2013; the SPD should have 153 seats, down from 193; and the AfD enters the Bundestag with 94 seats. Following were leftist and pro-business parties dividing about 30% of the vote. Following the results, the SPD, which had been the CDU and Merkel’s coalition partner, announced that it would not join her government this time and would go into opposition, leaving Merkel to cobble together a weaker, probably less stable coalition from smaller parties.

- III. Takeaways: The immediate takeaways from the election results are:

- a. Merkel won a fourth term, and remains the most powerful leader in Europe, but her power is significantly diminished. Only Konrad Adenauer and Helmut Kohl have served longer as Chancellor in post-war Germany than Merkel, and she has become an indispensable figure of stability on the world stage. However, she will be heading a reduced party and a weaker coalition than in the last Bundestag. Moreover, she is approaching her 12th anniversary in the role, and this was almost certainly her last election, potentially creating a “lame duck” effect.
- b. The SPD’s decision to form the opposition prevents the AfD from doing so. The SPD’s loss of 40 seats in the Bundestag may not have been as complete a route as the French Socialist party’s last Spring, but it is a significant fall. Its decision to go into opposition and stop making common cause with Merkel and the CDU signals party leaders’ realization that it must rebuild its

natural constituency if it wants to form a government again. However, a side effect of its decision is to keep the AfD from “official opposition” status, and on the sidelines as an influence on government policy.

- c. Although not as significant as in the French election, as in France, the voters rejected both of the two leading center-left and center-right parties, reducing their vote percentages from 2013 by more than 8% for the CDU and by more than 5% for the SPD. The AfD’s better than 2 million votes came not only at the expense of the CDU and SPD, but from nearly 700,000 persons who had not voted at all in 2013. About 20.5% of voters in the six Länder (states) comprising the former East Germany voted AfD, compared with 10.7% in the former West Germany.
- d. The rise of the AfD puts a brake on European hopes of avoiding the U.S./U.K. populist wave. The French and Netherlands results earlier this year gave centrist European and world leaders some comfort that continental Europe was not succumbing to the right-wing, populist wave that swept the English-speaking countries. That comfort should now be measured. Although Merkel will be Chancellor for another four years, the AfD’s success is a significant event in restoring momentum to the rightist, populist wave.
- e. The AfD is an unknown quantity. It was originally formed as a Eurosceptic party in reaction to the Greek bailout that Merkel orchestrated. It morphed into an anti-immigrant party in the wake of Merkel’s controversial welcoming of Syrian refugees. Its rightist stance clearly has a constituency, but how much of its support is a short-term reaction to its foundational events remains to be seen. Also, entering the Bundestag puts the AfD at the grownups’ table; if it wants to increase its influence, it will have to develop policies. The AfD was immediately rocked post-election when its co-leader, Frauke Petry, considered a relative moderate, walked out of a celebratory press conference and announced that she would quit the AfD to serve in the Bundestag as an independent member for Saxony. Petry, an advocate of a pragmatic approach to securing the AfD’s goals, had steadily lost influence to her more extremist leaders. Their ascendancy and her fall bodes ill for the AfD gaining further influence.

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