

Opinion Article

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German Elections

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As attention is directed towards the German elections of the 22nd of September, the question of whether Berlin is going to change its policy the next day of the elections, concerns Brussels, as well as the countries of the European South. European affairs – with the exception of some remarks for the case of Greece and the cost of the rescue packages – did not receive much attention in the election campaigns of political parties, but will possibly be a priority during the next months. This, however, does not mean that we should expect dramatic changes, despite the expectations cultivated by the media.

Based on the polls, the prevalence of Christian-Democrats can be taken for granted, who, however, won't be able to form a government on their own. There are, thus, four scenarios for the next government coalition. The most extreme that concentrates though significant probabilities, is based on the formation of a centre-left government – without the participation of Chancellor Merkel – with the cooperation of Social-Democrats, Greens and the Left Party. According to the most orthodox scenarios, however, Chancellor Angela Merkel will remain at the position for a third consecutive time. The Christian-Democrat party will be required to collaborate either with the Liberals, if they succeed in passing the threshold of 5%, or the Social-Democrats, creating a large coalition like that of 2005-2009. Theoretically, she could do the same with the Greens, although the latter rule out this possibility in any available occasion.

The political positions of German parties for issues of European interest present both similarities and differences. Starting with the prospect of a European Banking Union, the parties of Christian-Democrats, Liberals and Social-Democrats have approved the decision of the European Council for the supervision of European Banks by the ECB. They also agree that this supervision should concern large banks and not small ones, which should continue to be under national surveillance. There is a disagreement regarding the use of a common responsibility mechanism in the context of the banking union. While Christian-Democrats and Liberals disagree with this perspective, most Social-Democrats seem less opposed to it, remaining though silent when it comes to the protection of deposits at the European level. Greens seem ready to take this step, at least in their rhetoric.

Furthermore, concerning fiscal union, Christian-Democrats and Liberals do not seem willing to make any significant steps, considering as their priority the fiscal pact and the reduction of debt of Eurozone member states, under the threat of sanctions. From their side, Social-Democrats stress in their political speech that they want to boost European economic governance. Nevertheless, their suggestions for the transfer of powers, regarding the budget, at the European level, remain for the time being quite unclear and vague. The matter of

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a common debt guarantee remains an anathema for both the Christian-Democrats and Liberals, with Social-Democrats seeming more flexible and proposing the establishment, under conditions, of a Joint Debt Fund. It is worth noticing that Greens agree even with the issue of Eurobonds in the long-term.

With regard to the austerity policy, the Christian-Democrats and Liberal parties stick to the current recipe. According to their opinion, growth will come through the implementation of reforms and privatizations and finally the participation of the private sector, regardless of the austerity measures adopted. On the contrary, Social-Democrats propose the establishment of an Investment and Constructions Fund, so as to give incentives, boost the economy, fight unemployment and achieve growth. At the same time, they add emphasis to the significance of social justice. Both the Social-Democrats and the Greens propose the legal adoption of minimum state benefits for education and various social needs.

Finally, regarding European governance, Christian-Democrats have avoided analyzing the topic thoroughly for now, preparing their political programme for the 2014 European elections. Broadly, Chancellor Angela Merkel and the Minister of Finance, Wolfgang Schäuble, have noted that time is needed and the transfer of more powers to Brussels can only be done gradually. From their side, Liberals, Social-Democrats and Greens, support more actively the perspective of further European integration. For example, their parties are willing to designate, even before European elections, their candidate for the position of President of the European Commission, participating thus in the public debate for the democratic deficit of the European Union and giving European citizens the opportunity to participate in this debate as well.

In any case, despite the aforementioned differences in the political positions of the parties, it will be very difficult for Berlin to live up to expectations, after the elections. The attitude of the public opinion, which continues to support to a great extent austerity policies for the countries of the European South, is a barrier that cannot be ignored. The same holds for the important role that the Constitutional Court of the country plays, which examines thoroughly the legitimacy of the decisions reached at a European level. For example, after the elections its opinion for the unlimited bond buying programme for countries that are not integrated in an ECB programme is expected. Ultimately, as Dr. Ulrike Guérot of the European Council on Foreign Relations notes: "Germany may be central to European politics but it sees itself as a role-model rather than as a power with an obligation to lead".

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