



By: **Ferry Biedermann**

Will Germany's fractious coalition politics continue under Merz?



Squabbles over all the main issues, from economic policy to migration to defence, have cast doubt on the prospects for a stable and unified German coalition less than a week after the conservative election winners, CDU/CSU, reached a deal with the third-placed social-democrat SPD.

There's a small but significant chance that the coalition might not even see the light of day. SPD members are **voting** online on the agreement until 29 April amid heavy opposition from the party's youth and left-wing sections.

Remarks by prospective chancellor Friedrich Merz, the CDU leader, on the minimum wage and migration numbers have rekindled misgivings among the SPD membership over his leadership style and over the concessions made in the coalition agreement.

The post-agreement provocative policy blitz by the sometimes-abrasive Merz comes as the far-right Alternative für Deutschland, AfD, party is surging in the opinion **polls** and, in a historic development, has overtaken his party to become the largest in several surveys.

The AfD's surge is at the expense of all major parties, apart from the left-wing Die Linke, but appears to be mostly fed by voters switching from Merz's CDU/CSU. The SPD too has lost support since the elections in February, and the coalition would not have a majority on the current numbers.

This is significant, as the consequences of an unprecedented rejection by the SPD membership of the coalition agreement would be seen as catastrophic. The party's co-leaders, Saskia Esken and Lars Klingbeil, are hinting at the lack of an alternative coalition in the face of the AfD surge by urging their members to take "responsibility".

Internal tensions

Even if, as is still likely, the agreement passes the SPD membership test, Germany's role at the centre of the European response to a

world in turmoil will be undermined by its internal tensions.

The coalition, should it be approved, will not have the luxury of four quiet years until the next Bundestag elections. Next year, already, it will be facing some decisive federal state, Bundesländer, polls that might well see the AfD for the first time forming a state government.

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Particularly in the former East-German state of Mecklenburg-Vorpommern on the Baltic Sea, the AfD is so far ahead that if its lead holds, it will be very hard to form a coalition without it.

Like in many other countries facing a similar situation (think of the UK), the new government could quickly get pre-occupied with trying to outflank the far- or hard- right challenge. In Germany's case, this is only likely to further inflame coalition politics, as it is already doing even before the new government has been formed.

"Limiting" migration

As ever, migration is the main issue around which the far-right is rallying, and Merz has clearly felt the need to compete with the AfD on the subject. He has form on this, as he has already once **accepted** the far-right's support to pass a migration measure in parliament, to howls of protest from across the political spectrum.

His latest sally came in a recent television interview where he said that the number of asylum applications should be kept under 100,000. While the first few months of this year saw a marked reduction in the inflow of asylum seekers, last year's figure was more than twice Merz's goal.

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The SPD feels that it has already compromised by allowing the goal of “limiting” migration to be included in the coalition agreement. A leading SPD politician has called Merz’s new target “nonsensical”.

Merz was keen to emphasise the difference that he is going to make on migration by comparing himself to the previous SPD-led coalition under Olaf Scholz and said that under his leadership, Germany would be open to unspecified proposals by 16 unspecified EU countries for stricter migration controls.

“Until now, Germany has said no to this. Under my leadership, Germany will say yes,” he stated in the ARD television interview.

But fraught as the migration issue is, there’s an underlying economic picture that causes many Germans much more concern and that might explain a further loss of faith in the mainstream parties.

Fiscal conservatism

It was arguably the sputtering economy and the previous SPD-led government’s inability to get it going again that led to the fall of Olaf Scholz’s coalition. It had been held back by disagreement with the now much-reduced liberal FDP on adapting the country’s strict borrowing rules to generate more investment.

After the February elections but still with the old parliament in charge, CDU and SPD played a constitutional trick by passing a borrowing amendment while they still had the required super-majority that they lack in the new parliament.

Rather than rewarding the parties for taking a long-debated necessary step to free up funds

both for defence and economic regeneration, the electorate seems to be punishing them for establishment trickery.

While there’s a good chance that the coalition will be forgiven if in four years’ time the borrowing bet has paid off, Merz has chosen to play to his voters’ fiscal conservatism by putting into doubt several weak, but to the SPD important, coalition agreement clauses on the economy.

Main among these was his questioning of a coalition **goal** to raise the minimum wage to €15/hour next year, which the SPD saw as an achievement. Merz has now undercut this by emphasising that it is by no means certain that the economic situation will allow for it.

Thus, while Europe might have gained increased defence and economic investment with the advent of the Merz chancellorship, it has also clearly added another fiscally conservative and austerity-inclined leader who might well tip the balance in Brussels when big joint decisions are going to be made.

European agreement on the supply of the missiles

The picture is as opaque on defence and specifically the commitment to Ukraine. On the face of it, Merz is a much stronger advocate of support for Kyiv than Scholz was. He is on the record as wanting Germany to supply Ukraine with Germany’s long-range Taurus missile systems, which the UK has also called for.

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But this has fallen foul of the serving SPD defence minister Boris Pistorius, who is likely to continue in the post. He questioned what form Merz's European agreement would take and how practical this would be.

While Pistorius has been more forthcoming in his support for Ukraine than Scholz, he denied ever having advocated for the supply of the missiles.

Merz, in the same ARD television interview earlier this week, made a case for arming Ukraine, **saying** that Putin, "at some point must recognise the hopelessness of this war, which means we have to help Ukraine."

This puts him more in line with the UK and France and bodes well for European action on Ukraine. But it will mean little if he fails to get a fractious coalition on board and becomes enmeshed in domestic political squabbles that will continue to sap the energy of one of Europe's key countries.