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THE CURRENT: After 16 years of Angela Merkel, what's next for Germany?

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PITA: You're listening to The Current, part of the Brookings Podcast Network. I'm your host, Adrianna Pita.

After 16 years as Germany's chancellor, Angela Merkel is stepping down. On September 26, Germany will hold its first election since West Germany's first elections in 1949 in which there is no incumbent seeking re-election.

With us to explore Merkel's legacy and the repercussions of the upcoming elections not just for Germany but for the EU and the trans-Atlantic partnership is Constanze Stelzenmueller, Fritz Stern chair on Germany and trans-Atlantic relations and senior fellow with the Center on the United States and Europe here at Brookings. Constanze, thanks so much for talking to us today.

STELZENMÜLLER: My pleasure, thank you for having me on.

PITA: Merkel took office back in 2005, which feels almost like a lifetime ago, given the number of political and economic and cultural shifts. We could obviously spend the whole podcast just talking about her time as chancellor and legacy, but so let me ask you about her legacy in the more narrow context of just how Germany has changed in that time and kind of catching us up to where it is now.

STELZENMÜLLER: You're right to say that it seems like yesterday and decades ago at the same time. Looking back, it becomes clear that what the country and Europe went through in those 16 years was a series of massive crises and shocks, beginning really with the global financial crisis in 2008 which morphed into the eurozone crisis. Then there was the illegal annexation of Ukraine by Russia at the beginning of a proxy war in Ukraine that lasts to this day. All that began in 2014, and 2015 the immigration crisis, which led to the arrival of more than a million mostly Middle Eastern refugees in Germany and gave rise to a very xenophobic hard right political movement in Germany.

And then of course the advent of the Trump administration, the election in 2016 which really disrupted trans-Atlantic operations in a way that no one had really seen before. And then, of course, the global pandemic and the economic shocks and the social and political shocks that came with that. I think, if you will, this rollercoaster ride has taught us that crises are the new normal but it's also taught us that we need to look very hard at the institutions and processes of democracy that underpin our politics and make sure that those are stable going forward in the future where we will have more crisis than not.

PITA: And so what about Angela Merkel's own role in this series of crises and keeping Germany afloat during that time?

STELZENMÜLLER: Sure. I think that my own assessment of Merkel's record is mixed, as I've tried to explain in a piece that I wrote for Foreign Affairs in the in the spring. I do think that she stands out for her just sheer level-headedness, her rationality, her insistence on empiricism and science, her willingness to broker compromises, and the just sheer amount of hard work that she put in. I think that she was superb as a crisis manager.

But I think it is possible to question some of her decisions, particularly in the in the eurozone crisis. And the harshest criticism I have of her is not one of character, not one of her crisis management, but that she, I think, never really took the time to explain to the country that we needed to look at preparing ourselves for a future in which crises are the new normal and where we need to reinforce our democracy, where we need to make sure that we stay abreast of technological innovation, that we don't lag behind in digital or manufacturing innovations, and that we also do not permit the, shall we say, the festering of vulnerabilities that enable hostile external actors or internal actors to undermine democracy and the stability of politics. I'm thinking particularly of the use of corruption in the financial system as a way for external actors to influence German politics. I'm not saying that that is currently a major issue in the campaign; I am saying it is, it is a source of vulnerability.

PITA: And so, as we turn to looking at this upcoming election, in a piece earlier this summer, you referred to the slate of candidates as being "eminently irresistible." So tell us what you think about them. What should we know about them?

STELZENMÜLLER: Yes, well, that was my point where I was particularly frustrated with an election campaign that I thought was superficial and was focusing entirely on irrelevant issues like people padding their CVs, or not sourcing claims in books co-authored with ghostwriters, when we have really, really, really big questions ahead, of the future of Europe, the trans-Atlantic relationship, relations with Russia and China, and so on. So I will admit to having been a little grumpy when I wrote that.

Let me revise that take here and say the following: Of the three candidates vying for chancellor, all of whom have been out on top, and all of whom have been at the end of the line, we now have a lineup where the Social Democratic candidate appears to be solidly leading: Olaf Scholz, the current finance minister in a grand coalition with Angela Merkel, former mayor of Hamburg. And then I think sharing second place or last place, whichever way you want to see it, are the Christian Democrat candidate, so the man who wants to succeed Angela Merkel from her own party: Armin Laschet, the minister-president or governor of the popular state of North Rhine-Westphalia; and finally, Annalena Baerbock, the candidate of the Greens, who is a second term parliamentarian in the federal legislature.

Annalena Baerbock started out as the star of this campaign, the unquestioned leader in terms of charisma and attractiveness. somebody who represented or seem to represent new thinking. And she, I think, is undoubtedly an intelligent, captivating, forward-thinking woman. She's just 40. And I think that she really has a future in German politics, but I think what has put off Germans, in the end, was that she has no executive experience whatsoever, and that's something you really need if you want to succeed in a German national election. I think, given five or 10 years, either in regional executive posts or in a cabinet post, that would make all the difference for her.

Armin Laschet, the Christian Democrats center-right contender, is an experienced regional politician, but has come off as defensive and often vague in answers on policy questions and as somewhat oddly lightweight in when under pressure. And I think that that is what has damaged his post standing. And it may also be that this is not about him, but the Germans feel that after 16 years in power,

it's time to switch horses and it's time for there to be a political shift. And that, I think, is not something he should be blamed for, but that's a healthy sign in a democracy.

The front runner, Olaf Scholz, I thought was resistible when I wrote that because he's an ultra-dry, very cautious politician who is in fact very like Merkel in that he really dislikes saying anything that sounds like a grand vision of the future. But I think unlike Merkel, who apparently has a wicked sense of humor in private and is very good at imitating Putin and other world leaders, it's hard to imagine him being different in private. But what he does have is experience as mayor of Hamburg and as finance minister. And I think his most significant achievement, that I think he does deserve a place in history books for, is that he pulled off the German part of the European recovery package this spring, a multi-hundreds of billion euro package to buttress the European economy, which was flailing under the impact of the pandemic. He does have a couple of weaknesses; he is responsible for some financial oversight scandals or was minister when these things happened. And I think that he, again, has been shown in debates to be on the defensive about these issues. I don't think that the weaknesses of the German system are his fault, but I think that he would be better served if he said, yes, you know we didn't see that in time. We got hit over the head by it, that was my mistake and actually we've changed everything there now and, and I think we're good in the future, and we're going to be vigilant about this. I think that would be more helpful if he did that. But I have no doubt that he would be a safe pair of hands as chancellor. What I wonder is whether he has the kind of foresight needed to sort of look beyond the horizon and imagine what kind of future crises might be heading the way of Europe and Germany and prepare the country and its voters for that. Because Germans don't like to be told that there is trouble ahead, so German politicians often avoid that. Then again, they're not the only ones.

PITA: In that light, then, when we when look at the repercussions of what might come from this election, what will it mean for Germany and Germans domestically?

STELZENMÜLLER: Well, I think that the Germans have, for a very long time, felt that they lived on an island of stability and prosperity, when, during the global financial crisis, almost all of Europe's major economies and the smaller ones appeared to be in deep, deep trouble. And not just not just economically but the whole system of governance, the whole mechanism of the state appeared to be in trouble, whereas in Germany everything seemed to be running smoothly.

And I say seemed to be because, again, I think that the rise of populism in Germany and the pandemic have uncovered some fairly major weaknesses and vulnerabilities about German federalism and about German democracy: a certain degree of complacency; we're really backward in our digital infrastructure; our decisionmaking processes, which are geared toward peaceful normality are very, very cumbersome in a time of crisis. And there I think we really need to take a very long, hard look at what works and what doesn't.

And the other thing that I would add is, Germany's manufacturing industries, particularly the car industry, have raked in immense profits off of trade with China in particular. And that this growing dependence on the Chinese market had two deleterious impacts: one was that it gave the Chinese and the Chinese government a weight in German politics at a time when China is undergoing a distinct authoritarian turn that is problematic not just for Germany, but also for Europe. And, secondly, that by garnering so much additional income, the German manufacturing industry and the car industry, I think, bought time for staving off innovations that other countries were making in artificial intelligence, the

sharing economy, electrical cars. And we are now behind the curve on all these technological trends and quite urgently need to catch up.

And that's something the next chancellor is going to have to deal with. The political impact of that, the impact on the job market, the impact on the political economy, because these are mainstays of the German export economy.

PITA: Well, as we look at what the election means, then, for everyone outside of Germany, you've often written in the past about Germany sort of plays this kind of balancing role between the west and the east. What are some of the more international repercussions about what could potentially come from this election?

STELZENMÜLLER: Well, I mean one of the great questions that Germany's neighbors and allies are asking themselves is, how will Germany define its role as the anchor economy of the European continent? What will its attitude be towards the European project, European integration, European enlargement? What will be its attitude to America and to the military arm of the trans-Atlantic alliance, NATO? Will it invest more in Europe and in NATO in a way that is commensurate with its economic power and its responsibilities, I would argue? And what will its relationship between be with Russia and China? Because, as I like to say, the Germans are in Europe what the Americans are in NATO; we're the 800-pound gorilla in the room who makes other people's windows shake when he turns over in his sleep. And so, Germans aren't always aware of the impact that their actions or inaction have on smaller, more exposed neighbors. And one of the more urgent questions that our neighbors have is, when are you going to wake up and realize that and conduct yourselves accordingly and conduct your foreign and security policy accordingly?

PITA: Alright. Well Constanze, we'll be talking again in a couple of weeks after the results from the election are known and we'll see what comes of that. As always, thank you again for your time.

STELZENMÜLLER: I can't wait for election day to be over because I really want to know the outcome of this election; because right now it's wide open and I already have whiplash.