

Germany: the government coalition breaks up

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On 6 November, Olaf Scholz (SPD) dismissed the Minister of Finance and leader of the FDP, Christian Lindner, and announced a snap election. In a statement issued in the evening, he blamed the FDP for breaking up the coalition and announced that he had lost confidence in the party's leader, including due to his uncompromising stance on easing the debt brake. The chancellor also announced his intention to request a vote of confidence at the beginning of 2025, to enable the Bundestag to vote on it on 15 January. According to the German media, the snap election could be held on 9 March, that is one week after the *Landtag* election in Hamburg. Until that time, Scholz will govern as the head of a minority government made up of the SPD and the Greens. Polls indicate that the current levels of support are 15% for the SPD, 10% for the Greens, and 4% for the FDP. The failure to adopt a budget for 2025 does not form an obstacle to governing the country without a majority in the Bundestag since a provisional budget can be adopted.

The immediate cause for dismissing Lindner involved the demands which the FDP presented regarding a radical shift in the government's policy, including in fiscal, energy and economic issues. However, the coalition had been experiencing a crisis for many months and the FDP's uncompromising stance results from the conviction leaving the government constitutes the only chance it has to improve its approval rating and pass the electoral threshold in the upcoming snap election to the Bundestag. For many months, the party has seen a decline in its level of support and has recently suffered a series of defeats in consecutive *Landtag* elections. A brief election campaign will strengthen the position of the CDU/CSU which currently tops the polls, with around 33%.

Commentary

- **The conflict within the coalition had persisted for several months, with the main contentious issue being the divergent approaches to the state's fiscal policy** (see '[Germany: government reaches budget compromise for survival](#)'). The SPD and the Greens demanded the suspension of the constitutional debt brake rule (*Schuldenbremse*). This limits the number of instances in which the state's structural deficit (i.e. one which is independent of economic fluctuations) can be increased to the equivalent of 0.35% of the country's GDP. The FDP was in favour of maintaining the debt brake. In recent weeks, both the Greens and the FDP presented their proposals. However, the FDP presented their concepts in the form of an ultimatum (see '[The FDP presents its demands: is this the end of Germany's coalition?](#)').

- **Lindner's dismissal represents an opportunity for an unpopular chancellor to take the initiative and lead the SPD into the imminent election.** Scholz received full support from the Social Democrats for dismissing the finance minister. Combined with the fact that the campaign needs to be prepared at short notice, this has improved Scholz's position. Several party members have suggested that Scholz should not seek re-election and should be replaced by the most popular SPD politician, Minister of Defence Boris Pistorius (this scenario is less likely), or the party's younger co-leader Lars Klingbeil (more likely).
- **The Christian Democrats are the best prepared for the snap election, as their party is consolidated around Friedrich Merz and has a new platform** (see '[A return to conservatism: the CDU's new platform](#)'). The party leaders are demanding that the election be held as soon as possible. A scenario involving a constructive vote of confidence supported by the CDU/CSU, the FDP and the Greens (this party has announced its intention to form a minority government with the SPD) seems rather unlikely. Nor is it very likely that the CDU/CSU could support Scholz's proposal to cooperate in issues of key importance to the government (economic reforms, improving state security) ahead of the snap election.
- **The pro-Russian and anti-American parties, the AfD and the BSW, are in a favourable position** (see '[An alternative alliance: will Germany's extreme right and extreme left parties join forces?](#)'). Following their successes in the September elections in the eastern federal states, in terms of their organisational potential the two parties are prepared to launch a new campaign. Their level of support (AfD – 18%, BSW – 8%) may increase as reports regarding the worsening state of the German economy emerge. One side effect of the break-up of the ruling coalition could involve the BSW's reluctance to continue the already difficult negotiations on forming the government in Thuringia and Saxony.
- **The election campaign will be dominated by internal problems, mainly relating to the economy and the management of the migration crisis.** The Ukraine issue, though important, will recede into the background. The Christian Democrats will emphasise the need to provide strong support to Kyiv, while the SPD will argue that helping Ukraine and, more generally, strengthening Germany's security cannot be at the expense of German citizens. Chancellor Scholz mentioned this view, while explaining the reasons behind Lindner's dismissal.