

Luiss

School of European Political Economy

The reasons behind Scholz's strong performance

Carlo Bastasin

Five Bullets 1/2021

LUISS



September 28, 2021

The reasons behind Scholz's strong performance

Five Bullets on the German Elections

Carlo Bastasin

- The strong performance by the Social Democratic Party (SPD) is related to the electorate's change of heart coinciding with the massive floods in mid-July this year. Rather than blowing winds in the sails of environmentalists, the natural catastrophe triggered an increase in the SPD consensus from 16% to 26% in one month.
- The reason was that the climate event was not presented as an ideological issue, but rather as a major event related to the role of the State. Should the State refund the damages? Should it build back my home? Should it restore roads and bridges? And consequently: should it raise taxes, or should every individual be left alone in dealing with his own problems?
- Framing the issue in those terms – how much state in the economy – pushed the ball along the traditional political axis between the SPD (more state) and the Liberal party (lower taxes), rather than along the “modern” axis running between the Green party (defense of the environment) and the Cristian Democratic Union party (defense of the status quo for an older electorate).
- A substantive component of German political culture revolves around the concept of insurance against risk. This was the reason why Germany preceded any other country in insuring its citizens against the problems of age, sickness, unemployment, and lack of assistance (Pflege). Now the environmental risk is likely to become the fifth pillar of the insurance system.
- This mentality affects financial relations with Germany's euro-partners. When Berlin calls for an austere management of public finances, it does not demand that other countries subscribe to a presumed ordo-liberal orthodoxy. It rather calls for setting aside resources that will be needed in case of crises. Again, this is an insurance-like mentality. One can rightly criticize Germany's incapacity to prevent risks through investment. However, it is hard not to recognize the good results that German foresight produces in the country's economy.