State elections – critical test for the CDU and its party leader Laschet

- State ballots in Baden-Württemberg (BW) and Rhineland-Palatinate (RP) on March 14 provide the first electoral test for the parties in the run-up to the federal elections. Apart from the single parties’ performance, they are also interesting with regard to forming government coalitions.

- Uncertainty about the polls is higher this time. Rising discontent with the crisis management could negatively affect voter turnout or party preferences. Also, the stronger use of postal voting could differently impact the parties, albeit to a small extent.

- In BW with its large industrial base, the Greens have overtaken the CDU as strongest party a decade ago. The state is governed by a green-black coalition under the Green PM Kretschmann. Current polls indicate that the Greens increased their lead over the CDU compared to the 2016 elections profiting also from the reputation of their PM whereas his CDU challenger is not widely known.

- Parts of the Greens in BW favour a coalition with the SPD and the FDP to broaden the options for the federal elections. To lose the junior role in the coalition in BW would be an even stronger political defeat for the CDU. Still, a remake of the green-black coalition under the incumbent PM seems more likely for now.

- In RP, the SPD which leads a traffic light coalition is set to beat the federal trend and come in as the strongest party. The popularity of the incumbent PM Malu Dreyer is a big asset for the party. The Greens might be the big winner almost doubling their previous results. Indications from party leaders point to another SPD-led traffic light coalition after the ballots.

- In both states the AfD scored extremely well in the last elections which took place at the height of the refugee crisis. Since then, the AfD lost ground because of internal party differences, a pronounced shift to the right, but also as it missed out on its own ambitions to gain ground amidst the backdrop of Covid-19 pandemic.

- Although the new CDU party leader Laschet is not up for election, the performance of the CDU will of course be (partly) attributed to him, especially a poor result in BW where the regional CDU strongly backed his opponent Merz in the party leader contest. Recently, the questionable role of two CDU/CSU Bundestag members in medical masks procurement deals sparked outrage, providing additional headwinds for the CDU/CSU. As long as the CDU is not experiencing a severe setback compared to its 2016 results, though, Laschet’s prospect of being nominated as the CDU/CSU chancellor candidate remains intact in our view. We consider the chances for Laschet to be chosen as Merkel’s successor in April/ May higher than for the Bavarian PM Söder.
Pandemic discontent might influence elections. Upcoming Sunday, March 14, the regional elections in Baden-Württemberg (BW) and Rhineland-Palatinate (RP) will kick off the super election year. Germany will then be in almost nonstop campaigning mode with a series of important signposts until the federal elections in September (see Figure 1). While political polls tend to be rather reliable in Germany, the fallout from the corona crisis increases uncertainty this time. So far, lockdown skepticism and the slow start of the vaccination campaign are reflected in rising discontent – less than half of the Germans are still backing the current policy decisions signaling a turning of the tide for the executive (see Figure 2). This also concerns state governments as they play an important role in the decision-making and the implementation of the corona measures. Thus, their performance in handling the crisis will be put to a test, too. Still, as on federal level, the regional executives seem to have benefited from the crisis so far: The PMs of the respective states, Malu Dreyer in RP and Winfried Kretschmann in BW, are highly popular (see Figure 3). But BW has been the nucleus for last year’s demonstrations of corona critics and deniers which spread to other parts of Germany incl. the capital Berlin and attracted attention beyond Germany. While these groups have become less visible in recent months, anticipating their supporters’ electoral behavior is difficult.

Postal voting increasingly popular. The expected increase in postal votes could have some influence on the ballots (FG Nov 13, 2020). In BW, the share of postal votes in the last elections was below 20% but is expected to be much higher this time. In RP, the share of postal voting was higher with over 30% in the last elections and according to officials almost 40% of the electorate have already cast a postal vote. Generally speaking, postal voting is more frequently used by older voters, i.e. supporters of the CDU, and better educated and mobile voters, i.e. voters of the Greens. The Greens explicitly assume that they might profit from an increase in postal voting. As opposed to the US, though, the deadline for the postal votes is the same as for the ballot votes, 6 pm on March 14. Subsequent counting will include the postal votes and will allow for reliable results in the course of the evening.

Baden-Württemberg: The former CDU stronghold that has turned Green

The Green’s biggest asset is the popular PM Winfried Kretschmann. BW is the second most wealthy state after Bavaria and home to a broad industrial sector ranging from automotive to mechanical engineering and both DAX companies as well as large family-owned businesses. Thus, the win of the Greens in 2011 was a particular surprise further fueling the party’s Germany-wide success and acceptance as ruling party. Kretschmann governed with a Green-SPD coalition in the first term and is currently heading a Green-CDU coalition (a planned Green-SPD-FDP coalition failed because of the latter). He is perceived to be essential in holding the two coalition partners together despite differing views in terms of industrial and climate policy. A vast majority of the electorate is satisfied with his work and even 59% of the CDU supporters prefer him over his little known CDU challenger, minister for education Susanne Eisenmann (Politbarometer). While the Greens participate in 11 state governments, PM Kretschmann is the most prominent figure and a sort of door opener to a conservative electorate giving those voters hopes that a coalition with the Greens could also work on the federal level. According to current polls (see Figure 4), the Greens have increased their lead over the CDU compared to the last elections in 2016 and might thus be in the pole position to continue governing.
New kids on the block. The Greens are challenged by a climate party start-up, the so-called “Klimaliste”. The party of which major figures have been engaged in grass roots movements such as “Fridays for Future” or “Extinction Rebellion” was founded last September and wants to pressure the Greens towards a more far-reaching climate change policy. They claim that many climate change goals fell victim to the compromises in this green-black government. The Greens – meanwhile part of the political establishment and with its participation in different state governments forced to adjust some of their too radical ideas – are in a certain way faced with political competition that the SPD has seen with the Left or the CDU with the AfD. It is unrealistic, though, to expect the new party cross the 5% threshold to enter the parliament.

CDU fighting to remain junior coalition partner. Relegating the CDU to the second place in its former stronghold had been a blow to the party and a number of CDU grandees who come from this region, e.g. former finance minister Schäuble. The party has not really recovered since then. Moreover, the CDU’s candidate challenging PM Kretschmann lacks support in the public and even within her own party ranks. The CDU has lost in the polls since January and might come in even a couple of points below its 2016 results (see Figure 4). Whether this can be attributed to the fact that the regional CDU organization was a decisive supporter of Friedrich Merz and a more conservative reorientation of the CDU is difficult to say. After Merz lost the race for CDU chair against Laschet, Eisenmann called for closing the party ranks and to back Laschet. The most recent political outrage over two members of the CDU/CSU Bundestag faction (see FT, March 8) is also responsible for the current losses in polls. The CDU’s biggest concern now is that the Greens might reconsider its coalition options and turn towards a traffic light coalition with the SPD and the FDP. Numbers would allow for it with the FDP’s popularity having improved and the SPD hovering around 11%. Greens in favour of such an option argue that it would give the party more leeway for political competition with the CDU and prevent the impression that everything boils down to a black-green coalition after the federal elections. PM Kretschmann, though, has indicated a certain preference for a continuation of the current coalition and in the end the Greens might also decide against changing coalition partners as surveys show a preference of the electorate for green-black in BW as well as for the federal level (Politbarometer).

Right-wing AfD likely to lose out. With 15% in the last elections, the AfD scored its best result in a West German state ever. On the heights of the refugee crisis and Merkel’s contested migration policy, the AfD managed to attract more than 200,000 non-voters in 2016. It became the largest opposition faction in the state parliament. Since then, though, internal party differences and party exits reduced the number of its MPs from 23 to 15. With a lack of motivating issues for its heterogeneous electorate, polls see the party at around 11%. This mirrors the role of the AfD on a Germany-wide base where the AfD is falling back from its previous support levels (see Figure 5) and only holds on to its strong position in the East German states.

What to watch on elections day: (i) The CDU’s performance compared to the last regional elections. (ii) Whether the SPD manages to stay at least within double digit numbers. (iii) In case of being the strongest party, will the Greens openly reconsider its coalition options.
Rhineland-Palatinate: The SPD-led traffic light coalition

Regional SPD to beat the party’s federal results by a wide margin. While BW will be – not least because of its implications for the federal level – particularly crucial for Greens and the CDU, RP will be the SPD’s litmus test. Albeit a smaller state, it is important for the SPD as – apart from the two city states – it just fields one other PM in the western part of Germany (Weil in Lower Saxony). At the start of the year, polls indicated that the CDU might overtake the SPD. Should this happen, it might trigger party-internal debates and add to the frictions between the SPD and the CDU/CSU in the last few months of Merkel government. So far, the fact that the SPD has been the first to nominate a chancellor candidate (FM Scholz) and has unveiled its draft manifesto in February already has not garnered any additional support from voters. However, the SPD has regained the upper hand in the RP polls over the last couple of weeks: Like in BW, the CDU is scoring lower and even seems to be at risk of falling back below its 2016 results.

Popularity of PM favours continuation of the current coalition. The high reputation of female PM Malu Dreyer (59% of the electorate want her to remain in office; Politbarometer) is a strong asset for the SPD in RP. The 33% currently achieved in polls (see Figure 6) are numbers Dreyer’s SPD colleagues in Berlin can only dream of. The SPD as well as its coalition partners seem prepared to continue the current traffic light coalition. Coalition considerations would only change substantially, should the FDP miss the 5% threshold and not stay in the parliament (currently the party scores slightly above 5% in polls). In this case, a two-party coalition would also be able to achieve a majority in the parliament.

What to watch on elections day: (i) Will the CDU keep its results from the 2016 elections, (ii) parties’ signals about coalition options, (iii) positioning of the FDP between support for the SPD and the CDU.

Implications for the federal political landscape – important but not decisive

State elections usually follow their own pattern. Given the strong federal structure in Germany which allocates major policy competences, e.g. education, to the states, regional campaigning has its own agenda. The electorate does not cast its vote with a view on the federal level and regional politicians focus on essential questions for the respective state. However, the federal positioning of the respective parties plays a role when specific positions are presented. One example is the headwind the campaigning regional CDU faced from Merkel’s refugee policy in 2015/2016, in particular in Eastern Germany. Not so significant but to a certain extent comparable, the proposal by federal Green MPs on a possible ban of single-family houses has been received critically by its party fellows in BW. Still, state election outcomes can have severe repercussions on the federal level. A recent example are the 2019 elections in Thuringia when the distribution of seats severely complicated the forming of a new government. The AfD’s coup to support CDU and FDP in electing a PM ultimately served as the trigger for AKK’s demission as the CDU party leader. The two upcoming state elections do not harbor the potential for such upheavals but might still play some role in the nomination process for the CDU/CSU chancellor candidate and the constructive cooperation between the CDU/CSU and the SPD for the rest of the term.

Majorities in the upper house blurred anyway. Another reason why the outcome of even smaller state elections could impact the balance of power in federal
Germany: The majority situation in the Bundesrat, the upper house, where the states co-decide on important topics such as tax policy with the federal government. Up until around two decades ago, the governing established party enjoyed either a majority in the upper house or the opposing established party had the majority in the upper house, i.e. a CDU-led government was faced with a majority of SPD-led states in the upper house. A change of state government could thus lead to a loss or win of a majority in the upper house. Meanwhile, though, in ten of the sixteen German states coalitions of two or three parties prevail, implying that any federal government cannot count on having a majority in the upper house anymore (see Figure 7). Instead, compromises have been sought beforehand and vetos have not been used anymore. This need to cooperate between the federal government and different state governments regardless of party colours is also a reason why German federal elections hardly ever prompt significant policy shifts.

With the elections out of the way, the debate of Merkel’s succession will gain momentum

Positive election surprise boost for Laschet. The new CDU party leader Laschet is not up for elections in the states but the performance of the CDU will of course be (partly) attributed to him. This might be more the case in BW where the regional CDU strongly backed his opponent Merz in the party leader contest. The CDU in BW is traditionally more conservative and market-orientated not least because of the large number of family-owned businesses in the region. A party leader who stands more in the tradition of Merkel’s centrist policy course is thus not expected to provide the hoped-for tailwind in the BW state elections. However, as mentioned, the regional CDU organization had closed ranks and Laschet had a number of well-received virtual election events. On the negative side is the recent political outrage over a CDU and a CSU member of the Bundestag on their questionable personal involvement in government pandemic procurement deals that has captured broad public attention and endangers trust in politics. Laschet has taken a clear view on this, demanding the MPs abandon their mandates but the extent of the negative repercussions for the party’s reputation remains to be seen. Against this background, already a stabilization of the CDU’s scoring could provide a certain boost for Laschet on the federal level.

Chancellor-candidate decision not just a popularity contest. In popularity rankings the Bavarian PM Söder still enjoys a comfortable lead but opposing trends have kicked in (see Figure 8). Laschet’s support is improving, in particular within his party. In the course of the last few weeks, a number of influential CDU members from the conservative business wing acknowledged Laschet’s attempts to incorporate some of their positions and to reconcile the different tendencies within the party. Söder, at the same time, faces increasing criticism even within Bavaria and from his own party on pandemic management. In any case, steering the CDU into the federal elections will be challenging for either of them as 49% of Germans think that without Merkel the CDU will not be as strong as currently (Allensbach, Feb 25). At the same time, only a third would like to see Merkel running again. While media tend to focus on public popularity surveys when looking at the potential chancellor candidates, party considerations will play a probably larger role in the decision of the chancellor-candidate. Bear in mind that the CSU is the much smaller partner in the conservative party family: While it is strong in Bavaria, it scored just some 6% (of all votes) in the last federal elections and by that contributed (just) one-fifth to the Germany-wide CDU/CSU result. Only in case that the much larger CDU massively doubts its own leader’s qualities were it to draw the Bavarian card. The
last time this happened was back in 2002 when CDU grandees questioned the gravity of their chairwoman Merkel. Such a pushback seems unlikely for Laschet. Also against this background, we expect Laschet to be chosen as Merkel’s successor in April/ May.

We thank Ursula Walther for her valuable contribution.
Appendix 1

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