



## Papiers d'actualité / Current Affairs in Perspective

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### **When the Traffic Light Fails: Olaf Scholz, Germany's Political Crisis, and the Road Ahead**

  
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pour l'histoire du temps présent

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### **Introduction**

6 November 2024 was a date of great significance in global politics. To the dismay of many in the United States and abroad, it emerged on this day that Donald Trump had won the previous day's presidential election by a comfortable margin, thereby securing his return to the White House. Throughout his campaign, he had pledged to overhaul the American political system and adopt a more aggressive, competitive approach to world affairs. With alarm bells ringing across the continent, some observers in Europe and beyond hoped that Trump's comeback might spur greater European unity, inspiring EU member states to form a more coherent bloc capable of resisting the new administration's more contentious policies.

Yet, on the very same day, a key European state—Germany—experienced its own political upheaval. On the evening of 6 November, Chancellor Olaf Scholz dismissed his Finance Minister, Christian Lindner, triggering a dramatic chain of events. All but one of Lindner's colleagues from the Free Democratic Party (FDP) subsequently resigned from government, effectively dismantling the three-party coalition of the Social Democratic Party (SPD), the Greens, and the FDP. With these departures, Scholz's government lost its majority in the Bundestag, reducing the Chancellor to, in practice, a lame-duck leader.

The most straightforward path to resolving this crisis would have been for the Bundestag to elect a new Chancellor backed by a majority—a scenario that would require cooperation from all opposition parties, including the far-right Alternative für Deutschland (AfD). Given the longstanding refusal of all other parties to collaborate with the AfD, such a consensus seemed exceedingly unlikely. Alternatively, Scholz could have requested an immediate vote of confidence, which, if lost, would have triggered early elections before their scheduled date in September 2025. Neither option emerged swiftly. In a televised address, Scholz—true to his reputation for cautious decision-making—indicated that he would consider initiating a vote of no confidence in January. This stance, however, left uncertainty over how he might secure the necessary backing for any legislative agenda in the interim. Friedrich Merz, leader of the largest opposition party, the Christian Democratic Union (CDU), declared he would not support new bills until Scholz put a vote of confidence before Parliament, further complicating matters for the Chancellor.

Germany's constitution and political framework are designed to guarantee stable majorities, leaving minority governments virtually untested and widely seen as unviable. Under mounting pressure, Scholz eventually agreed to hold a vote of confidence on 16 December, triggering a process that would enable Federal President Frank-Walter Steinmeier to call new elections on 23 February 2025. Yet no single party appears poised to secure a decisive majority. Forming a workable coalition might thus take weeks—or even



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months—leaving only a caretaker government in place. This predicament deprives Germany of an effective administration capable of making serious, long-term policy decisions at a critical moment.

Consequently, when Donald Trump is inaugurated in January 2025 and likely begins to implement radical policies swiftly, Germany—one of Europe's key nations—will be poorly positioned to respond effectively. Compounding these challenges, France, traditionally another leading European state capable of shaping EU-wide agendas, faces its own crisis after a snap election in the summer weakened President Macron's parliamentary majority. Meanwhile, the United Kingdom, having left the EU, shows little sign of rejoining, even if it may prove more willing to cooperate on specific issues. As a result, Europe finds itself largely leaderless and ill-equipped to counter Trump's agenda. Some observers may place their hopes in the new European Commission under Ursula von der Leyen, recently voted into office, though to what extent it can compensate for the absence of strong leadership from key European states remains uncertain.

It is fair to say that the political crisis currently unfolding in Germany could not have come at a worse time. What, then, triggered this chaotic situation, and what are the likely consequences and future developments?

### A Government in the Era of “Permacrises”

The new federal government that emerged from the 2021 elections was a novelty. For the first time on the federal level, the SPD, the Green Party, and the FDP had joined forces to form a coalition. This was a risky endeavour, given that the FDP's policy positions, particularly when contrasted with those of the Greens, offered little confidence in long-term cohesion. Nevertheless, the three parties managed to agree on a governing programme, allowing Olaf Scholz to be elected Chancellor on 8 December 2021. In doing so, he succeeded Angela Merkel and brought her 16-year tenure in the Chancellery to a close.

But not only did the government face the challenge of harmonising three diverse political parties, it also had to contend with a multitude of pressing issues. Germany was just emerging from the COVID-19 pandemic, which had polarised the nation as it had many other societies worldwide. Rising inflation and lingering economic troubles in the pandemic's aftermath further complicated Scholz's early efforts. Meanwhile, geopolitical storms were brewing in the east. President Vladimir Putin's Russia grew increasingly aggressive towards Ukraine, possibly perceiving a window of opportunity in Merkel's departure and the new German administration's relative inexperience. Putin's provocations culminated in a full-scale invasion of Ukraine on 24 February 2022.

Scholz and his government had barely settled into their roles when they were confronted with Europe's gravest security challenge since the end of the Cold War. Interstate war involving a great power returned to the continent overnight, threatening NATO and the EU's post-Cold War security architecture. Scholz's immediate response to the invasion would likely become his lasting legacy. In a speech before the Bundestag, he announced a “Zeitenwende”—a watershed moment that overturned long-established principles of German foreign and security policy. At least rhetorically, Scholz provided a framework for Germany to confront the new European security environment. A broad consensus soon emerged within the German political establishment that a complete reversal of defence policy was necessary. Massive investments were required to prepare the Bundeswehr for a new era and enable Germany to secure both itself and Europe.

This speech, reportedly surprising even some of Scholz's closest political allies, revealed a decisive side of the Chancellor rarely seen before—a leader willing to make hard decisions. For a moment, Scholz seemed to approach the standard set by one of his professed role models, Chancellor Helmut Schmidt. Yet in the months that followed, Scholz reverted to the cautious and hesitant decision-making style that would render him infamous both at home and abroad. Rather than acting as a *Macher* (doer), he became known as a *Zauderer* or *Zögerer*—someone who hesitates and delays. Whether this inclination stemmed from personal instinct or lessons



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drawn from Merkel's chancellorship (during which some crises were handled by waiting them out) remains unclear. However, while Merkel displayed leadership and decisiveness at crucial junctures, Scholz often failed to do so, at least in the public's perception. When it came to implementing the *Zeitenwende*—overhauling security and foreign policy priorities and reversing decades of underinvestment in the Bundeswehr—his initial resolve gave way to hesitation. Although the Bundeswehr received a special €100 billion fund to upgrade its capabilities, regular defence spending did not rise sufficiently to guarantee the military's long-term recovery and reform. This extraordinary fund could help Germany meet NATO's 2% GDP target, but Scholz gained notoriety mainly for his reluctance to provide Ukraine with key military equipment, including tanks, fighter jets, and long-range missiles. Time and again, after facing domestic and international pressure, he was forced to backtrack on these positions. As of December 2024, Scholz still refuses to send Taurus cruise missiles to Ukraine, even though other countries, including the United States, have relinquished their resistance to supplying such weapons or allowing Ukraine to use them against Russian territory. Scholz's caution and lack of decisiveness have irritated his coalition partners as well as international allies.

On another front, however, the government confronted a challenge with surprising speed and effectiveness, albeit overshadowed by the legacy of past policy errors. For decades before 2022, successive German governments—led by Helmut Kohl, Gerhard Schröder, and Angela Merkel—had pursued intensive economic relations with Russia. Under the principle of *Wandel durch Handel* (change through trade), Germany's reliance on inexpensive Russian oil and gas grew significantly. By the time Scholz took office, the German economy and its energy supply were deeply dependent on Russian hydrocarbons.

When Russian energy deliveries were reduced, sanctioned, and ultimately halted in the wake of the 2022 invasion, the government scrambled to secure alternative sources worldwide—albeit at much higher cost. This crisis management effort, largely driven by Green Economy Minister Robert Habeck, ensured that German homes remained heated during the winter and that industry still had access to oil and gas, though at greater expense and under pressure to reduce consumption.

Nevertheless, in an era of rising inflation, higher heating and energy bills further strained households and industries, particularly in the chemicals sector. Combined with the lingering effects of COVID-19, the shock of the Ukraine war contributed to [persistent economic malaise](#) that the government struggles to alleviate. Deep divisions within the coalition over how best to respond only intensified these tensions.

A key sticking point was the constitutional “debt brake” (*Schuldenbremse*), introduced in 2009 during Merkel's first tenure. This fiscal rule restricts annual structural deficits at the federal level to 0.35% of GDP, limiting the government's ability to accumulate debt. Although the debt brake allows for temporary suspension in times of crisis—and the current situation would certainly qualify—the SPD and Greens faced fierce resistance from Finance Minister Christian Lindner and his FDP, who steadfastly opposed lifting the restriction. In the end, it was over this point of contention that the coalition finally fractured on 6 November. Yet as events would show, it appears the FDP had been manoeuvring towards breaking up the coalition for some time, suggesting that this escalation was an [inevitable step in the FDP's electoral strategy](#).

A final challenge facing the coalition parties was the rise of populism—part of a broader global trend to which Germany was not immune. Initially fuelled by protests in the 2010s against what many perceived as the “communitisation” of European states' debts, and later invigorated by hostility towards refugees following the Syrian Civil War and Merkel's decision to open Germany's borders, far-right populism took hold. It soon crystallised in the emergence of the AfD. The party's demagogues offered simplistic solutions to complex issues, embraced “anti-woke” stances, denied human-made climate change, and blamed immigrants for economic and social problems. These positions helped the AfD surge in popularity, potentially becoming the second-largest party in the next federal elections, and it has recently garnered significant, sometimes even majority, support in various Länder elections.

As with established parties in France, the United Kingdom, and the United States, German parties have struggled to develop effective responses to rising populism. In an attempt to curb the AfD's appeal, the German government introduced tougher measures on



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freedom of movement—effectively suspending the Schengen system—as well as stricter policies on asylum and deportations. To date, however, these strategies have done little to halt the AfD's momentum and have instead created further frictions among the coalition parties. In fact, public perceptions of an increasingly fractious government, seemingly incapable of addressing contemporary challenges, may have further bolstered support for populist parties. The AfD may soon be joined in the Bundestag by a populist movement on the left: Bündnis Sahra Wagenknecht (BSW). Ostensibly—and somewhat narcissistically—named after a single individual rather than a clear ideological platform, BSW similarly employs anti-immigrant rhetoric and advocates a pro-Russian stance. It calls for an end to military aid for Ukraine and a “diplomatic solution” that would almost certainly disadvantage Ukraine in any negotiations.

### The Vote of Confidence

The process of forming a new government following a failed vote of confidence is clearly outlined in Germany's Basic Law. Under the country's constitutional framework, the sequence of events from the Chancellor's request for a vote of confidence to the holding of new elections unfolds in several steps. First, the Chancellor may formally ask the Bundestag to confirm that he still commands a parliamentary majority. (For example, Scholz has just requested such a vote, scheduled for 16 December.) If the vote of confidence fails—meaning the Chancellor does not secure a majority—the Federal President may, at the Chancellor's request, dissolve the Bundestag and call for new elections. The President has 21 days after the failed vote to make this decision.

Until the newly elected Bundestag convenes, the outgoing Bundestag remains fully operational and continues to perform its legislative duties. Similarly, the incumbent Chancellor and cabinet remain in office until a successor is elected and confirmed. If the President orders early elections, they must take place within 60 days of the President's announcement (it is anticipated they will occur on 23 March 2025). After the elections, the newly constituted Bundestag assembles and selects a new Chancellor—typically the candidate supported by a majority coalition. Once confirmed by the Federal President, the new Chancellor and government assume office, ensuring a smooth transition of power.

These positions resonate with a substantial portion of the electorate, posing considerable challenges not only for the upcoming election campaign but also for the formation of a viable coalition government thereafter. A Bundestag in which both the AfD and BSW hold a significant number of seats would make assembling a stable and coherent governing coalition even more difficult. All these factors formed the backdrop to the crisis that culminated on 6 November. Officially, the situation escalated over the coalition's inability to agree on a new federal budget. The FDP refused to authorise new borrowing that would violate the debt brake, or to declare an emergency allowing it to be suspended. Consequently, Scholz dismissed his Finance Minister, Christian Lindner, and the so-called “traffic light coalition”—named for the parties' colours: red (SPD), yellow (FDP), and green (Greens)—became history.

### The Road Ahead

With Lindner's dismissal and the FDP's departure from government, Scholz was left with only one coalition partner—the Greens—and no majority in the Bundestag. His plans to push through further legislation, such as tax reforms and measures against “cold progression,” now appear unfeasible. This is far from ideal, given the critical decisions that must be made. [Germany's economy is stagnating](#), lagging behind OECD and Eurozone projections. Meanwhile, the government's inability to pass a budget adds further uncertainty, weighing heavily on the economic outlook.

At a time when decisive action and reforms are needed to revive the economy and prepare Germany for the challenges posed by [climate change, an ageing population, proliferating red tape, and other structural impediments to growth](#), Scholz continues to dither. He also remains reluctant to permit Ukraine to use German-origin weapon systems for strikes within Russian territory, and refuses to supply Taurus missiles that

could give Ukraine a tactical advantage. During his remaining months in office, Scholz appears unlikely to enact any substantial policy shifts that might persuade the electorate to lift the SPD from its current slump of around 16%. This places the party behind both the CDU (32%) and the AfD (18%), and only marginally ahead of its “junior partner,” the Greens (14%) (see: [DeutschlandTrend, Tagesschau](#)).



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If Scholz's strategy is to use the remaining weeks before the confidence vote and potential elections to prove his suitability as Chancellor, a "steady as she goes" approach is unlikely to succeed. Meanwhile, Merz is positioning himself as a Chancellor-in-waiting. On a recent visit to Ukraine, he promised not only continued but increased support, including allowing Kyiv to use German weapons within Russian territory (albeit restricted to border areas) and pledging to supply Taurus missiles. The electorate currently places greater trust in the CDU's ability to manage economic policy and address the ongoing crisis. At present, Merz enjoys the highest approval rating, slightly ahead of the Greens' Chancellor candidate, Robert Habeck (both around 30%), while Olaf Scholz (23%) barely outpaces the AfD's Alice Weidel and Sahra Wagenknecht of BSW (see: [DeutschlandTrend, Tagesschau](#)). If Scholz is hoping for a silver lining, he will need a very powerful magnifying glass indeed.

As matters stand, Scholz looks set to lose the upcoming elections, likely granting the CDU the largest share of the vote and thus the opportunity to produce the next Chancellor. Yet even the CDU will probably need a coalition partner, and this might prove difficult. Its traditional ally, the FDP, is currently polling below the 5% threshold required for Bundestag representation. Even if the FDP surpasses this barrier, it may still lack the seats needed to form a stable majority with the CDU. That leaves three theoretical partners: the AfD, the SPD, and the Green Party.

Merz has categorically ruled out forming a government with the far-right AfD. A coalition with the newly founded BSW, hovering around 5%, would also be unlikely, given both its populist stances and insufficient electoral strength to deliver a majority. A so-called "grand coalition" with the SPD might offer a workable majority. However, what had once been a rare exception in German politics—an SPD-CDU coalition, which had only occurred once between 1966 and 1969 in the 55 years prior to 2005—became something of a norm under Merkel, who formed three such governments out of four. The SPD did not fare well in these recent alliances and may have little appetite for another. Depending on how severe its anticipated electoral defeat is—and current trends suggest a substantial loss—the SPD leadership may prefer a period in opposition, using the time to rebuild and likely rally around a future Chancellor candidate such as the current Defence Minister, Boris Pistorius.

This leaves the CDU with one plausible partner: the Greens. On some issues—particularly defence, foreign policy, and support for Ukraine—the Greens may share more common ground with the CDU than the SPD does. On other fronts, such as migration and climate policy, friction is inevitable. Nonetheless, Merz appears to have softened his rhetoric towards the Greens, possibly paving the way for cooperation after the election. The Bavarian CSU, more conservative than the CDU, remains critical of the Greens, but as history shows, coalitions are often marriages of convenience rather than love matches. Precedents exist in several Länder—Baden-Württemberg, Schleswig-Holstein, and North Rhine-Westphalia—where CDU-Green alliances have proven workable. While untested at the federal level, such a coalition could provide the stability Germany desperately needs, particularly in the face of an emboldened AfD and an SPD licking its wounds.

Whatever government emerges will have to hit the ground running. Much like the three-party coalition that took office in early 2022, the new administration will likely face immediate crises emanating from Trump's second presidency, which will be underway by the time Germans head to the polls. With the prospect of a trade war between the EU and the US, a potential American withdrawal of support for Ukraine, growing tensions with China, and the possible dismantling of international institutions such as the UN and NATO, decisive action will be essential—both from Germany and Europe at large.

In this context, holding earlier elections—perhaps immediately following a vote of confidence after 6 November—could have produced a new government better prepared to respond effectively to President Trump's policies. By postponing the vote until 23 February, Germany risks losing two critical months after Trump's inauguration before having an administration equipped with a mandate and majority to tackle the new challenges from Washington. Whatever Scholz's motivations for delaying the election, it may have done the country, and Europe, a disservice.



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### Scholz's Chancellorship: A Brief Assessment

There is a German saying, *Totgesagte leben länger* ("those presumed dead live longer"), and perhaps Scholz may yet defy expectations. External factors might persuade the electorate to keep him in power, allowing him to emerge victorious in the upcoming elections and remain Chancellor beyond February 2025. However, at present, the odds do not look promising, and it seems more likely he will hand over the Chancellery to Friedrich Merz. In that event, what will Scholz's legacy be?

Unlike Helmut Schmidt—a *Macher* who rose to the challenge during domestic and international crises—Scholz rarely projected an image of swift, decisive leadership. The demands of managing a three-party coalition—requiring relentless compromise and painstaking efforts to avoid upsetting any partner—did little to help him act decisively. Ultimately, it is the Chancellor's responsibility to lead and provide clear guidance for federal policy. In the public eye, at least, this was not Scholz's strength.

Instead of bold action, Scholz may be best remembered for his *Zeitenwende* speech in February 2022, when he proclaimed the necessity of abandoning long-held traditions in foreign, security, and defence policy in light of Europe's new geopolitical realities. With this speech, he provided a framework that will guide German policy into the future—one broadly embraced by the CDU, Greens, SPD, and FDP. Any subsequent government is likely to continue the *Zeitenwende* agenda.

However, when it came to implementing these announced changes, Scholz reverted to hesitancy. Decisive reforms of the military and its budget remain overdue, and he offered Europe little in terms of new visions or steps towards greater integration and cooperation on vital security matters. Meanwhile, Ukraine may still need more robust support—not just in terms of materiel, but also the freedom to employ any provided equipment as it sees fit. Scholz's argument that delivering Taurus missiles or permitting the use of German-origin weapons on Russian territory would draw Germany into the conflict is tenuous. If the mere use of foreign-made arms rendered the producing country a belligerent, then the world's major arms exporters (Germany included) would be parties to numerous wars.

Thus, Scholz may ultimately be remembered less for his actions than for his words. He set Germany on a new path—one that acknowledges the post-2022 European order. Others, however, may have to walk that path and fill Scholz's notion of *Zeitenwende* with the substance it needs.

#### **German chancellors (after World War II) with the briefest tenure**

##### **Kurt Georg Kiesinger (CDU)**

*Term:* 1 December 1966 – 21 October 1969

*Length:* Approximately 2 years and 10½ months

##### **Ludwig Erhard (CDU)**

*Term:* 16 October 1963 – 1 December 1966

*Length:* About 3 years and 1½ months

##### **Olaf Scholz (SPD)** (*Assumption: until mid-March 2025*)

*Term:* 8 December 2021 – mid-March 2025 (hypothetical)

*Length:* Roughly 3 years and 3 months

##### **Willy Brandt (SPD)**

*Term:* 21 October 1969 – 7 May 1974

*Length:* Around 4 years and 6½ months

##### **Gerhard Schröder (SPD)**

*Term:* 27 October 1998 – 22 November 2005

*Length:* About 7 years and 1 month

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