

presented the coalition agreement between the Social Democrats (SPD), Greens and Liberals (FDP). The coalition partners want to “Dare More Progress.” Expectations are high and the mood of optimism is currently colliding with the fourth Corona wave in Germany. Corona is at the same time the major crisis that the government must control if it is to implement its numerous promises.



YOUR TAKE-AWAYS

The pandemic has revealed deficiencies in the healthcare system and the need for more resilience. Measures are being envisaged to tackle bottlenecks in the supply chain and relocate the production of pharmaceuticals back to Germany or the EU. There will be a reform of the AMNOG-law on price control for pharmaceuticals and stricter rules on pricing. Digitization will remain key on the agenda; we will see a stronger focus on prevention and a more patient-centered healthcare policy. All this under increased budget pressure.



SOCIAL-ECO-LIBERAL RENOVATION BY GERMANY'S NEW GOVERNMENT: "DARE MORE PROGRESS"!?

JOY IN PARIS, DISILLUSIONMENT IN WARSAW

More European integration. This is how one could summarize the credo of the coalition regarding the European Union. The rule of law is to be enforced more strongly, the European Parliament is to be strengthened and majority decisions are to become more common. One loser is likely to be Commission President Ursula von der Leyen. True, the traffic light coalition is promoting a "Spitzenkandidat" system. But for that, UvdL would first have to be nominated by the EPP. A nomination? Uncertain.

ON THE 1.5-DEGREE CLIMATE PATH?

Within the coalition treaty, climate policy primarily means energy policy, but it is also extended to other policy areas (including foreign policy). What we know: targets of the previous government will be maintained, no climate veto, but a significant expansion of renewable energies is planned, and a coal phase-out, ideally by 2030. With the latter, the Greens deliver what is probably the most frequently quoted sentence of the paper. All in all, many measures have been formulated in the treaty, now the government must deliver.

QUESTIONS ABOUT FINANCING REMAIN OPEN

The coalition agreement also contains some creative approaches: While the debt brake (to be maintained) is suspended, money will flow into a climate and innovation fund. This is to serve as a reserve for the entire legislative period. It could be beneficial for the new government to have both an ambitious finance minister and a chancellor with solid financial expertise. However, the issue reveals also strong differences between the parties: The conflicting ideas have led to a deadlock, especially in the area of taxes.

SAME OLD STORY IN TRANSPORTATION POLITICS?

There was great outrage among the Greens' base, as well as disappointment among their specialist politicians: the Liberals are to receive the Ministry of Transport. Under conservative leadership, it was a drag on climate policy. Will that change now? That remains to be seen. But the need for action is high. And what is written in the agreement? Many compromises, nothing revolutionary. Compared to other policy areas, the chapter has remained rather modest.

TOWARDS A NEW STYLE IN GERMAN POLITICS

With 177 pages it is the longest coalition treaty ever in Germany and for the first time three parties are coming together, after a rather short negotiation phase which was defined by a very trustful and respectful atmosphere (nearly no leaks, no tactical games in public). This shows the ambition of the coalition: Introducing a new style in politics - constructive and fair, leaving room for commonalities and differences, but also with humility given the challenges ahead.

NEW DYNAMICS BEYOND CLEAR POLICY LANDSCAPES

The SPD and the Conservatives have long since ceased to be the sole big players, representing crucial majorities. But that balance of power has shifted. Greens and Liberals are almost equal and could choose their coalition partner to govern. From an opposition standpoint, the conservatives are not only meeting the Leftists: The extreme right-wing "AfD" has established itself as an agitator against refugees and anti-covid-19 measures. So, six parties are trying to create very different impacts - representing very different areas of society.

A VAGUE TREATY LEAVES POWER TO THE MINISTERS

The coalition treaty is in many parts deliberately vague to cover the ambitions and interests of all three partners and bring them together under one roof. This opens lots of doors for interpretations and bears conflict potential as well (e.g. in such areas as climate, finance, transport). It will rather serve as a general guideline, and the new ministers themselves will be crucial for deciding what projects they will push forward and how they will implement their agreed common objectives.

SOCIAL LIBERALIZATION: A BIT OF A REVOLUTION

Socio-political projects that for a long time did not find a majority under a conservative government will now be implemented and will have a concrete impact on people's lives. The general socio-political standards are thereby raised. This is possible because the Greens and the Liberals are close on social issues. However, the right to vote from the age of 16, is not a safe bet. For this, the future government needs a 2/3 majority, which it has yet to organize.



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THE NEW GERMAN GOVERNMENT

 **Social Democrats (SPD)**

 **The Greens**

 **Liberals (FDP)**

 **Watch out for media and political impact**



 **Olaf Scholz**  *Federal Chancellor*

A social democratic career out of a picture book - almost. The Social Democrats' youth organization (JUSOS) prevented him from becoming party chairman. Now he becomes chancellor - despite all the imponderables and resistance from within his own party. Merkelesque he contested the election campaign and won in the end. Scholz, a lawyer, is a "Vollblutpolitiker". He is well-read and deeply involved in the debates. On the other hand, he is not a great speaker; showing empathy is difficult for him; as is explaining politics in simple terms. But Merkel couldn't do that either.



 **Hubertus Heil**  *Labour & Social Affairs*


The old one is the new one. Heil becomes Minister of Labor again. As the "warhorse" (quote Scholz) of the SPD, he was known as an active asset in the previous government. He often surprised his own people and the coalition partner with interviews and new plans. He will remain true to himself.



 **Nancy Faeser**  *Interior & Community*

Surprisingly, the chairwoman of the Hessian state SPD becomes Minister of the Interior. The lawyer is an expert on interior policy. Therefore, the decision is surprising not because of a lack of expertise, but because it was rather suspected that she wanted to become Hessen's Minister President in 2023.



 **Klara Geywitz**  *Building*



Geywitz, a political scientist, has been a well-established figure in state politics, but she has not yet made a name for herself nationally. The SPD deputy chairwoman became known primarily when she ran for the SPD chairmanship together with Scholz - and lost. She is regarded as a proven strategist.



 **Svenja Schulze**  *Economic Cooperation & Development*


Schulze served as Federal Minister for Environment from March 2018. Since the Greens have received this ministry, she was unable to remain in office. Scholz said she had shown that she had mastered the international arena.



 **Karl Lauterbach**  *Health*

Lauterbach, one of the SPD's most renowned health politicians, has become one of the most sought-after experts in Germany during the Corona crisis, omnipresent in the media. He is regarded as headstrong and hard to control. But in the current situation, it would have been difficult to appoint anyone else.



 **Christine Lambrecht**  *Defense*

The former Federal Minister of Justice belongs to the left wing of the SPD. She is hands-on and proactive, and she will have to be because the reform backlog is huge. Lars Klingbeil, son of a soldier, would have been predestined for the job. But he wants to become party chairman of the Social Democrats.



 **Wolfgang Schmidt**  *Head of the Federal Chancellery*

Wolfgang Schmidt is Olaf Scholz's most important confidant. They have worked together for 20 years. He rarely appears in public. However, he is very active on Twitter. Schmidt is regarded as a political maniac who is available 24 hours a day and present everywhere when it comes to making Scholz look good.



 **Robert Habeck**  *Economy & Climate Protection*



Vice-Chancellor and the new super minister. Robert Habeck is not only the new strong man of the Greens, he also gets the Ministry of Economics and Climate as a bonus on top. Habeck is rather someone for meta-discussions. Will he give the daily nitty-gritty to his colleague Steffi Lemke? That's to be assumed.



 **Annalena Baerbock**  *Federal Foreign Office*

After 151 men, the Federal Foreign Office is headed by a woman for the first time. Opportunity and challenge at the same time. Foreign policy is still a male domain and the crises numerous. She will need a better performance than her Social Democratic predecessor Heiko Maas.



 **Steffi Lemke**  *Environment, Nature Conservation, Nuclear Safety & Consumer Protection*

She held various positions in the Green Party and is MP since 2013. As the spokeswoman for nature conservation issues for the Green Party and as a member of the Environment Committee, Lemke is familiar with environmental and climate issues.





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 **Cem Özdemir**  *Food & Agriculture*

The two parliamentary group leaders, Katrin Göring-Eckardt and Anton Hofreiter, have been left empty-handed. Instead, Cem Özdemir becomes a minister. Popular with the people, controversial within the party. So far, he has had no contact with agricultural policy. That isn't necessarily a disadvantage.



 **Anne Spiegel**  *Family, Seniors, Women & Youth*

Anne who? As a minister in Rhineland-Palatinate, she is considered an unknown quantity on the federal political level. Even her party was surprised by the decision. She has had to face criticism, hatred, and threats because of her refugee policy.



 **Christian Lindner**  *Finance*

Christian Lindner is seen as one of the big winners of the negotiations. He has prevailed over Robert Habeck and a Nobel Prize winner and will become Minister of Finance. Lindner now gets to answer the question: How are the coalition's promises to be paid for? He must deliver. No easy task.



 **Volker Wissing**  *Transport & Digitization*

The financial expert is considered analytical, and undogmatic. Surprisingly, the Liberals' number two, caused the first discord in the coalition with his proposal to lower the vehicle tax in order to compensate for higher diesel fuel prices.



 **Marco Buschmann**  *Justice*

The lawyer is the discreet strategist behind party leader Christian Lindner. Few people in the party are so close to the chairman. He is considered well-read and a good rhetorician. He is said to have built up good working relations with the Greens over the past four years. That is now paying off.



 **Bettina Stark-Watzinger**  *Education & Research*

Bettina Stark-Watzinger, a financial politician with a distinctive profile, is regarded within her party as an expert and someone who can mediate. In education policy, she calls for more responsibility on the part of the federal government.

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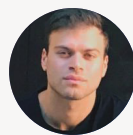
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