

GERMAN GOVERNMENT FORMATION

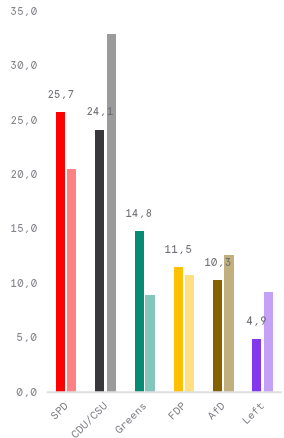
State of play & stakes at play

21 October, 2021



FINSBURY
GLOVER
HERING

STATE OF PLAY



*source:instagram



Sun, Sep 26 **FEDERAL ELECTIONS** | Tue, Sep 28 **START OF EXPLORATORY TALKS (GREENS*FDP + SPD)** | Fri, Oct 15 **END OF EXPLORATORY TALKS** | Thu, Oct 21 **START OF FORMAL COALITION NEGOTIATIONS**



Oct 27 - Nov 11 **WORKING GROUPS** | Nov 11 - END NOV **FINAL NEGOTIATIONS** | Nov 29-Dec 5 **Party approval** | Week Dec 6 **Election of Chancellor**

- | Coalition building talks so far between SPD, Greens and FDP have been unexpectedly smooth, helped by strict commitment to confidentiality
- | Internal quarrels within CDU/CSU over election result has further diminished option for an alternative coalition scenario
- | Upcoming formal negotiations will require reaching agreements on many issues/details not yet discussed/agreed as well as agreeing on personnel/ministry responsibilities
- | Parties agreed to government formation before Christmas, potentially as early as early December

STATE OF NEGOTIATIONS

Ergebnis der Sondierungen zwischen SPD, BÜNDNIS 90/DIE GRÜNEN und FDP

Die nächsten Jahre sind entscheidend, um Deutschland und Europa zu stärken - für die großen Herausforderungen wie den Klimawandel, die Digitalisierung, die Sicherung unseres Wohlstands, den sozialen Zusammenhalt und den demografischen Wandel. Die Grundlage dafür ist eine umfassende Erneuerung unseres Landes. SPD, BÜNDNIS 90/DIE GRÜNEN und FREIE DEMOKRATEN sehen, dass Deutschland einen Aufbruch braucht. Wir fühlen uns gemeinsam dem Fortschritt verpflichtet. Uns eint, dass wir Chancen in der Veränderung sehen.

Wir sind eine Konstellation, die drei Parteien mit unterschiedlichen Traditionen und unterschiedlichen Sichtweisen zu einem innovativen Bündnis zusammenbringen kann. Wir können einen Beitrag leisten, politische Frontstellungen aufzuweichen und neue politische Kreativität zu entfachen. So schaffen wir einen neuen gesellschaftlichen Aufbruch auf Höhe der Zeit. Als Fortschrittskoalition können wir die Weichen für ein Jahrzehnt der sozialen, ökologischen, wirtschaftlichen, digitalen und gesellschaftlichen Erneuerung stellen.

Deutschland braucht eine stabile und verlässliche Regierung, die die Herausforderungen unseres Landes angeht. Unsere Gespräche haben gezeigt, dass uns dies gelingen kann. Wir sind uns einig über die drängenden Aufgaben und haben uns Gemeinsamkeiten in Hinblick auf ihre Lösung erarbeitet.

Wir wollen eine Regierung auch für diejenigen sein, die uns bei dieser Bundestagswahl ihre Stimme nicht gegeben haben. Es geht um unser Land, nicht um die Profilierung einzelner Akteure. Wir sehen keine kleinen und großen Parteien, sondern gleichberechtigte Partner auf Augenhöhe. Wir überwinden inhaltliche Differenzen in einem respektvollen Austausch, der sich neugierig und offen für das Argument der anderen zeigt.

Die Sondierungsgespräche waren von Vertrauen, Respekt und gegenseitiger Rücksichtnahme geprägt. Das wollen wir fortsetzen. Wir sind davon überzeugt, dass wir einen ambitionierten und tragfähigen Koalitionsvertrag schließen können.

Ausgehend von den Ergebnissen der Sondierung wollen wir darüber verhandeln, wie wir unser Land nachhaltig modernisieren können. Dieses Papier zeichnet die Ergebnisse der Sondierungen nach. Es umfasst nur die Themen, über die die Verhandlungspartner vor Eintritt in Koalitionsverhandlungen eine Vorfestlegung erreichen wollten. Nicht alle Themen wurden besprochen, nicht jedes Thema bis in die Einzelheiten diskutiert. Dazu bieten die folgenden Verhandlungen Gelegenheit.

Folgende Ergebnisse halten wir fest:

- | Parties agreed on aiming for a substantive paper including clear positions showing who won / gave away on certain issues
 - › **Social Democrats** secured 12h minimum wage + stability of pension level
 - › **Greens** secured commitment to 1.5° pathway, phase out of combustion engine ahead of EU goal 2035, and 'ideally' phaseout of coal by 2030, introduction of a guaranteed basic income for children
 - › **Liberals** won commitment on taxation, adherence to debt brake, introduction of a capital market-based pension system, and protection of the private health insurance sector
- | Agreement to make the coalition about reform and renewal
 - › Significant **reform of immigration law** (more openness for qualified migrants, easier access to citizenship, right to permanent residency for refugees in work)
 - › **Digitization of administration** processes and **digital infrastructure** a key priority / acceleration of planning processes
 - › Commitment to make 2020s a **decade of investment** in innovation and transformation
- | Numerous issues still unresolved
 - › **Financing** of the ambitious investment agenda (estimates of ~ € 500 billion until 2030) – agreement so far only on scaling back of (fossil supporting) subsidies, stronger role of public investment banks and institutions
 - › Future of **EU fiscal policy** (growth and stability pact) and role of Europe for future growth / stimulus programs

KEY CHALLENGES

The next German Chancellor will...

- | Oversee the biggest personnel turnover in a generation
- | Have to manage the power dynamics of a three-party coalition
- | Rebalance public finances post-COVID while managing needed investment programs
- | Face a significant challenge to implement Germany's ambitious climate change targets (2030)
- | Navigate the increasingly challenging US-EU-China relationship
- | Kickstart preparations for Germany's G7 presidency in 2022

COALITION SPD / GREENS / FDP

Deep Dive Sectors



ENERGY

MOST RELEVANT AGREEMENTS OF THE EXPLORATIVE TALKS:

- 1) **Climate protection program:** The negotiating partners have recognized that Germany is not yet on the path to 1.5-degrees and therefore plan an ambitious emergency climate protection program already for 2022.
- 2) **Renewable energies:** Two percent of land area is to be designated for wind power. Capacities for offshore plants are also to be increased; no details have been offered yet. In order to remove obstacles, planning and approval procedures are to be accelerated.
- 3) **Coal phase-out:** to be moved up from 2038 to 2030. **Gas-fired power plants** are to be expanded and converted to climate-neutral gases ("H2 - ready"). No statements were made about the further expansion of the H2 infrastructure or the color of H2 for ramp-up phase.
- 4) **Emissions pricing:** The German Fuel Emissions Trading Act and European emissions trading are to be revised in line with the Fit-for-55 package with support to ensure technology neutrality.
- 5) **Electricity:** The financing of the renewable energy sources act (EEG) levy via the electricity price should be swiftly halted to reduce electricity costs for private households and businesses. The electricity market design is to be revised throughout the renewables expansion.

EXPECTATIONS FOR THE COALITION NEGOTIATIONS:

- 1) **Subsidies, bans and CO2-market:** SPD and Greens have similar priorities - higher expansion targets for renewables likely to be a more centralized plan
- 2) **The abolition of EEG-levy :** Likely, as all three parties focus social compensation mechanisms
- 3) **CO2-price with conflict potential :** Greens want increase (+ national minimum price of € 60 for assets subject to EU-ETS) – SPD and FDP oppose
- 4) **Thermal sector:** Agreement on cost distribution is likely
- 5) **Coal phase-out:** To bring forward the date is not entirely precluded – the possible compromise - a "market-driven" phase-out in 2034
- 6) **Further funding probable:** € 50 billion for industry (Greens), for technology and research (FDP), expansions of power grids, hydrogen pipelines and EV charging stations (SPD)

REAL ESTATE

MOST RELEVANT AGREEMENTS OF THE EXPLORATIVE TALKS:

- 1) **Build more affordable housing:** Construct 400,000 new homes per year, including 100,000 publicly subsidized homes. Boost the construction of affordable housing with a new housing community benefit (*Wohngemeinnützigkeit*).
- 2) **Establish a sustainable and "affordable housing alliance":** Reduce costs of construction through serial construction, digitization, de-bureaucratization and standardization. In a same vein, strengthen climate protection in new construction and accelerate energy-efficient refurbishment of the building stock.
- 3) **Extend tenant protection regulations:** Evaluate and extend the current tenant protection regulations. Enable the Federal Real Estate Agency (BIMA) to swiftly build housing itself.

EXPECTATIONS FOR THE COALITION NEGOTIATIONS:

- 1) **Energy efficiency in housing:** We can expect a further concretization of energy efficiency policies for the real estate sector: e. g. enhancing the climate footprint of the construction value chain and of a building's life cycle - or an amendment to the 2020 Building Energy Act (GEG).
- 2) **Subsidy programs for housing construction:** We can expect the new federal government to further concretize how the goal of 400,000 new homes per year is to be reached. The launch of a portfolio of subsidy programs and regulatory initiatives aiming at bolstering new construction and at creating construction-boosting financial or tax incentives for real estate and investors is likely.
- 3) **Tenant protection regulation:** Tenant protection will need to be specified further, with the FDP being likely to act as a barrier to even more comprehensive and restrictive regulation in the sector. The SPD could advocate for its key positions, including a moratorium on rents in high-priced residential areas (supported by the Greens), financial rent relief for tenants (prohibition of index-linked and graduated rents), and stricter rules for the conversion of rental to owner-occupied flats.

FOOD AND AGRICULTURE

MOST RELEVANT AGREEMENTS OF THE EXPLORATIVE TALKS:

- 1) **Key objective:** To follow a “nature- and environment-friendly path” of agriculture and at the same time secure “long-term adequate income” for farmers.
- 2) **Animal welfare:** Further support for farmers in the transition to animal-friendly livestock farming and husbandry labelling as a transparency measure vis-à-vis consumers.
- 3) **Plant protection:** Avoid side effects on the environment, health and biodiversity. Restrict the use of pesticides to “necessary levels”.

EXPECTATIONS FOR THE COALITION NEGOTIATIONS:

- 1) **Animal welfare labelling:** SPD and Greens tend towards a national label and a permanent “hygiene barometer”, FDP prefers it to be implemented at EU-level and to check animal welfare standards every five years. Another task to tackle is the challenge of higher animal welfare standards and emission control.
- 2) **Expand organic farming:** While the Greens will be pushing for a higher share, an agreement in line with the EU’s farm-to-fork strategy (25 % share of organic farming) is likely. Also, it remains to be seen how the conflict between expanding organic farming and protecting forests / non-agricultural land can be solved.
- 3) **EU Common Agricultural Policy (CAP):** SPD would like to link subsidies to criteria of climate, nature and environmental protection. Greens are requesting to replace the current system of direct payments with a “common good premium”. FDP wants to “update” the CAP with future-proof investments and more research, ultimately making farmers independent from the need for subsidies.

INDUSTRIALS AND INFRASTRUCTURE

MOST RELEVANT AGREEMENTS OF THE EXPLORATIVE TALKS:

- 1) **Promote investments:** Support investments in climate protection and digitalization through “super depreciations”.
- 2) **Reduce subsidies:** Cut back on unnecessary, ineffective and environmentally / climate damaging subsidies and expenditures.
- 3) **Speed up approval procedures:** Halve administrative, planning and approval procedures across the board. This is to be implemented during the coalition’s first year in government.

EXPECTATIONS FOR THE COALITION NEGOTIATIONS:

- 1) **Support transformation:** Strong consensus between the negotiating parties to support the industry’s digital and environmental transformation. It remains unclear what concrete actions will be agreed upon. Here, discussions are expected to especially revolve around the type and recipients of measures / aids.
- 2) **Reduce subsidies:** The parties mention the abolishment of subsidies as a key lever to gain additional budgetary leeway. According to Olaf Scholz, a whole list of subsidies will be subject to review – ultimately bearing the potential of triggering intense discussions.
- 3) **Speed up procedures:** Already before the elections, all parties highlighted that administrative, planning and approval procedures require extensive acceleration. Still, one can expect a debate regarding which procedures to prioritize. Particularly, the Greens will be reluctant to agree to any lowering of environmental standards.

MOBILITY

MOST RELEVANT AGREEMENTS OF THE EXPLORATIVE TALKS:

- 1) **General speed limit:** The three parties ruled out a general speed limit on the German *Autobahn*, which was a demand by SPD / Greens and hence can be seen as a major success for the Liberals.
- 2) **New mobility:** The future coalition parties have agreed to push new mobility forms independent of the technology used.
- 3) **Phase out of combustion engine:** The end of the combustion engine for individual cars (= no new registrations) remains unclear, but depending on how the exploratory resolutions are read, it could happen even before 2035.

Overall, concrete results are scarce so far. The bulk of decisions and specifications is still outstanding.

EXPECTATIONS FOR THE COALITION NEGOTIATIONS:

- 1) **Mobility and environmental policy:** The Greens have the ambition to coin the coalition's plan for the automotive and mobility sector, given the significant overlap between mobility and environmental policy. In a new federal government, the Greens could also have responsibility for the two remits.
- 2) **Liberal concessions:** By making SPD and the Greens renounce the general speed limit, the FDP took a victory with high symbolic power. This also means that the Liberals could be able to make concessions on other issues.
- 3) **Air traffic:** Not been mentioned at all so far, fundamental market intervention will presumably not take place. However, a political guidance (or even quota) for SAF is likely, and an anti-dumping regulation for airline tickets is possible.
- 4) **Social cushioning:** Mobility will be one of the make-or-break areas to showcase that the sustainable transformation does not financially overburden people. Goodies such as the *Pendlerpauschale* could be used to alleviate the impact on "normal people's" wallets.

FINANCIAL SERVICES

MOST RELEVANT AGREEMENTS OF THE EXPLORATIVE TALKS:

- 1) **Pension reform:** Entry into a capital market-based component of the public pension system and a 'fundamental' reform of the private pension planning. Potentially including a fund managed under public responsibility and opt-out conditions, as well as the eligibility of private savings plans with higher yields than *Riester* for incentives for low-income groups.
- 2) **Private capital for transformation investments:** Check the potential of public development banks to provide capital to attract private investment by shielding risks, as in the case of the existing *Zukunftsfonds* for startups.
- 3) **Taxation:** No introduction or raising of income, corporate, or value added-taxation. But a super-depreciation program to incentivize private investment into capital assets.

Did not play a major role in the preliminary talks.

EXPECTATIONS FOR THE COALITION NEGOTIATIONS:

- 1) **Pension reform:** We can expect intense debates about the specific design and scope for the public and private pension reform plans.
- 2) **Taxation:** Still uncertainty around the potential for a change of the withholding tax system (FDP vs. SPD / Greens), as well as the FTT which is envisaged as part of the EU public recovery funding, both of which have not explicitly be mentioned in the preliminary paper.
- 3) **Sustainable finance and ESG:** We can expect a commitment to make Germany a leading hub for sustainable finance and ESG – the big question is to what extent the next government will spend political capital to push for Germany as a strong capital markets location.

DIGITAL

MOST RELEVANT AGREEMENTS OF THE EXPLORATIVE TALKS:

- 1) **Digital state:** Accelerate the administrative, planning and approval procedures. During the first governmental year, duration of administrative procedures should be reduced by half. Digital applications are to become part of an agile and modern administration.
- 2) **Digital strategies:** Revamp the federal government's digital policy strategies (including AI, blockchain, data strategy), adding concrete responsibilities and milestones.
- 3) **Fair competition:** Establish a level playing field for large digital companies and "locally rooted" businesses. In addition, access to data is to be improved to enable start-ups and SMEs to develop new digital business models. To further support start-ups, employee share ownership is to be made more attractive (e.g. by increasing the tax allowance).

Digitalization ended up as the first chapter in the exploratory paper, even before climate protection. Digitalization and modernization will be of highest relevance for a potential traffic light coalition.

EXPECTATIONS FOR THE COALITION NEGOTIATIONS:

- 1) **Financing:** Further digitalization of state and economy, especially the connection of rural areas (e. g. the expansion of high-speed internet), will require high public and private investments. The question of financing residues not answered. It remains unclear what concrete expansion targets and commitments for digitalization (e. g. in area of telecommunication) the new government will set.
- 2) **Digital ministry:** During the election campaign, there was much discussion about bundling competencies in a new digital ministry, yet completely missing in the exploratory paper. While the FDP will continue to advocate for a separate ministry, the SPD favors a stronger coordinating role for the Chancellor's Office – outcome open.
- 3) **Consumer protection issues:** In their election programs, both Greens and FDP highlighted the need to strengthen consumer and civil rights in digital markets (e.g. product safety, transparency obligations, easier enforcement, etc.). The topic is still missing in the exploratory paper but is likely to play a stronger role in the upcoming negotiations.

HEALTHCARE

MOST RELEVANT AGREEMENTS OF THE EXPLORATIVE TALKS:

- 1) **Health insurance:** No mention of the *Bürgerversicherung*. Insured persons can still choose freely, as statutory and private health and long-term care insurance will remain in place.
- 2) **Precaution and prevention as a guiding principle:** The health service is to be made crisis-proof. The public health service will be digitalized.
- 3) **Hospital financing and provision of service:** The per-case-rate-system (*Fallpauschalensystem*) for hospital financing shall be further developed and adapted regarding sectors such as obstetrics and emergency care as well as pediatrics and adolescent medicine. There is a need for more cross-sectoral cooperation and networking between the different healthcare facilities, institutions and professions.
- 4) **Nursing care:** Parties intend to introduce an “offensive for more nursing care staff”. In addition, more qualified foreign staff shall be attracted to the German market. The staff shall receive adequate time for the work with patients. To ensure this bureaucracy will be reduced, using digital potentials and clear, uniform national guidelines for staffing levels.

EXPECTATIONS FOR THE COALITION NEGOTIATIONS:

- 1) **Health insurance:** The Greens and SPD will likely push to improve the financial situation of the statutory insurance (SHI). Possible solutions would be to open the SHI to civil servants or to introduce Hybrid-DRGs within the scope of cross-sectoral healthcare provision.
- 2) **Link the inpatient and outpatient sectors:** Breaking down silos and bridging sector boundaries has been discussed for a long time. The negotiations will focus on solutions to better link both sectors.
- 3) **Nursing care:** will again be an important factor in this legislative period. Still, the paper does not contain any statements on a comprehensive care reform that could relieve the financial burden on patients. The SPD will likely push to improve working conditions and wages.
- 4) **Pharmaceutical:** The parties did so far not include hints on how they will handle the pharmaceutical industry, medicinal/non-medicinal remedies and aids as well as financing under considerable financial constraints.

*Although the health sector is difficult to surpass in its complexity, the parties have remained vague. Especially when it comes to issues such as networking and the provision of comprehensive care – one of the most urgent issues – one can expect **considerable concretization in the negotiations.***

COALITION SPD / GREENS / FDP

Deep Dive Coalition Negotiations



WORKING GROUPS

OVERARCHING THEMES

A MODERN STATE, DIGITAL RENEWAL, AND INNOVATION	CLIMATE PROTECTION IN A SOCIAL-ECOLOGICAL MARKET ECONOMY	RESPECT, OPPORTUNITIES, AND SOCIAL SECURITY IN A MODERN WORKING WORLD	OPPORTUNITIES FOR CHILDREN, STRONG FAMILIES, BEST EDUCATION FOR ALL AGES	FREEDOM AND SECURITY, EQUALITY, DIVERSITY IN A MODERN DEMOCRACY	GERMANY'S RESPONSIBILITY FOR EUROPE AND THE WORLD	FUTURE INVESTMENTS AND SUSTAINABLE PUBLIC FINANCES
1 Modern state (planning law, citizen participation)	5 Environmental protection	9 Social state, Pensions, Basic security	13 Education and opportunities for all (Bafög etc.)	15 Culture and Media policy	19 Migration, Integration	22 Finance and Budget
2 Digital innovation, Digital infrastructure	6 Agriculture, Food	10 Work (upskilling)	14 Children, families, youth (basic income for children)	16 Internal security, Civil rights	20 Security, Defence, Development, Foreign policy, Human rights	
3 Innovation, Science, Research	7 Mobility	11 Housing, Living		17 Diversity, Inclusion	21 Europe	
4 Economy	8 Climate, Energy, Transformation	12 Health and Care		18 Good quality of life rural/urban		

MEMBERS OF KEY WORKING GROUPS

LEAD NEGOTIATORS

SPD: Olaf Scholz, Saskia Esken, Norbert Walter-Borjans, Malu Dreyer, Rolf Mützenich, Lars Klingbeil

Greens: Annalena Baerbock, Robert Habeck, Michael Kellner, Katrin Göring-Eckhardt, Winfried Kretschmann, (Anton Hofreiter, Britta Hasselmann, Claudia Roth)

FDP: Christian Lindner, Volker Wissing, Dr. Marco Buschmann, Bettina Stark-Watzinger

A MODERN STATE, DIGITAL RENEWAL, AND INNOVATION	CLIMATE PROTECTION IN A SOCIAL-ECOLOGICAL MARKET ECONOMY	RESPECT, OPPORTUNITIES, AND SOCIAL SECURITY IN A MODERN WORKING WORLD	OPPORTUNITIES FOR CHILDREN, STRONG FAMILIES, BEST EDUCATION FOR ALL AGES	FREEDOM AND SECURITY, EQUALITY AND DIVERSITY IN A MODERN DEMOCRACY	GERMANY'S RESPONSIBILITY FOR EUROPE AND IN THE WORLD	FUTURE INVESTMENTS AND SUSTAINABLE PUBLIC FINANCES
<p>2 DIGITAL INNOVATION, INFRASTR.</p> <ul style="list-style-type: none"> › SPD: J. Zimmermann, F. Mohrs, J. Pörksen, E. Korkmaz-Emre › Greens: M. Spitz, A. Christmann, J-P Albrecht, A. Geese › FDP: M. Brandenburg, M. Höferlin, B. Schlömer 	<p>7 MOBILITY</p> <ul style="list-style-type: none"> › SPD: A. Rehlinger, D. Martin, A. Bovenschulte, S. Bartol › Greens: A. Hofreiter, T. Al Wazir, M. Gastel, M. Schäfer › FDP: O. Luksic, D. Kluckert, C. Rasche 	<p>9 SOCIAL STATE, PENSIONS</p> <ul style="list-style-type: none"> › SPD: D. Schmidt, M. Leonardt, M. Roseman, M. Dulig, K. Mast, R. Nasr › Greens: S. Lehmann, M. Kurth, S. Aeffner, B. Onay, U. Philipp, C. Rohleder › FDP: J. Vogel, D. Bornhöft, S. Bruns, D. Bullinger, H. Garg, P. Kober 	<p>14 CHILDREN, FAMILIES</p> <ul style="list-style-type: none"> › SPD: S. Midyatli, S. Rix, A. Draheim, S. Schwarze › Greens: K. Göring-Eckhardt, E. Delingöz, K. Keul, K. Schulz-Asche › FDP: J. Brandenburg, B. Försterling, Y. Gebauer, T. Sattelberger 	<p>17 DIVERSITY, INCLUSION</p> <ul style="list-style-type: none"> › SPD: L. Brymaier, K. Diaby, P. Köpping, K. Mansoori › Greens: R. Lang, A. Touré, G. Agena, U. Schauws › FDP: H. Mertin, M. Hagen, K. Helling-Plahr, M. Kauch 	<p>20 SECURITY, DEFENCE, FOREIGN POLICY, HR</p> <ul style="list-style-type: none"> › SPD: H. Maas, S. Möller, D. Nietan, B. Koffler, G. Heinrich, N. Schmid › Greens: O. Nouripour, A. Brugger, R. Bütikofer, T. Linder, H. Neumann, P. Edalatian › FDP: A. Lambsdorff, B. Djir-Sarai, G. Jensen, M. Link, F. Müller-Rosentritt, M-A Strack-Zimmermann 	<p>22 FINANCE, BUDGET</p> <ul style="list-style-type: none"> › SPD: D. Ahnen, S. Ryglewski, A. Post, M. Schrodi, D. Rohde, C. Kiziltepe › Greens: L. Paus, A. Hajduk, D. Bayaz, S. Giegold, M. Heinold, S. Kindler › FDP: C. Dürr, O. Fricke, C. Grascha, K. Hessel, M. Körner, F. Toncar
<p>4 ECONOMY</p> <ul style="list-style-type: none"> › SPD: Schneider, P. Tschentscher, S. Poschmann, B. Westphal, J. Saathoff, G. Katzmarek › Greens: C. Özdemir, K. Dröge, M. Außendorf, A. Cavazzini, A. Kebschull, C. Müller › FDP: M. Theurer, T. Herbst, R. Houben, M. Kruse, A. Reichel, D. Schmitt 	<p>8 CLIMATE</p> <ul style="list-style-type: none"> › SPD: M Miersch, S. Weil, S. Schulze, D. Woidke, D. Burkhardt, K. Michel › Greens: O. Krischer, A. Spiegel, M. Bloss, T. Goldschmidt, I. Nestle, J. Trittin › FDP: L. Köhler, N. Bauer, A. Pinkwart, R. Rock, M. Theurer, S. Weeser 	<p>11 HOUSING</p> <ul style="list-style-type: none"> › SPD: K. Kühnert, D. Stapelfeldt, B. Daldrup, C. Tausend › Greens: M. Rotmann, C. Kühn, J. Gerometta › FDP: D. Föst, C. Dammermann, S. Körber, H. Reinhold 	<p>21 EUROPE</p> <ul style="list-style-type: none"> › SPD: U. Bullmann, J. Geier, M. Roth, G. Bischoff › Greens: F. Brantner, J. Schäfer, T. Reintke, M. Sarrazin › FDP: N. Beer, C. Dürr, M. Link, F. Schäffler 			

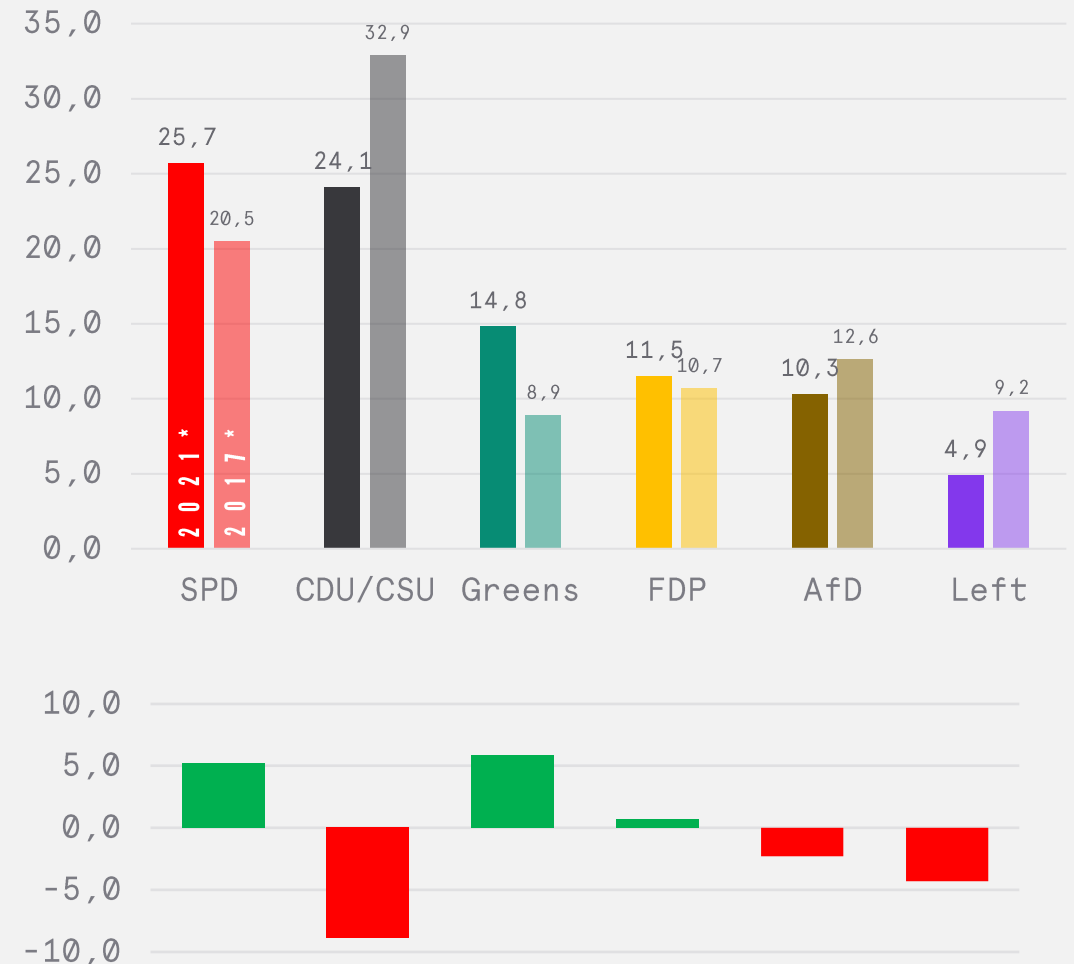
COALITION SPD / GREENS / FDP

Recap Results



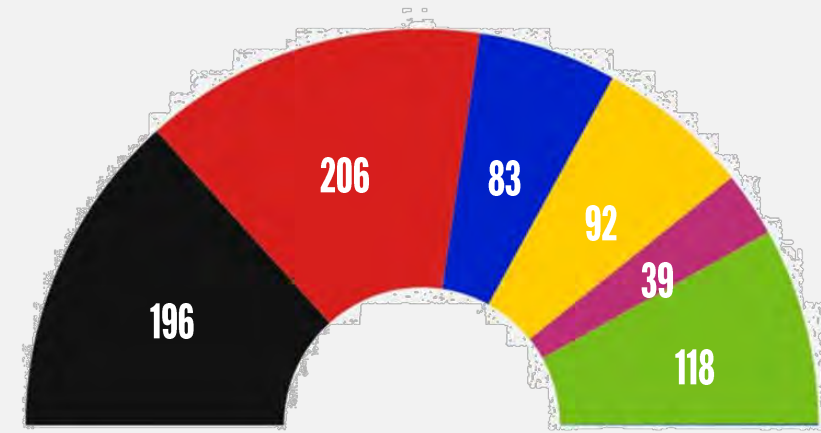
RESULTS

- | Social Democrats secure narrow win amid historical loss for CDU/CSU and strong gains for SPD and Greens
- | Greens and liberal FDP are the joint king makers and now enter coalition negotiations with the SPD
- | CDU/CSU still ready to form a coalition if traffic light coalition talks fail

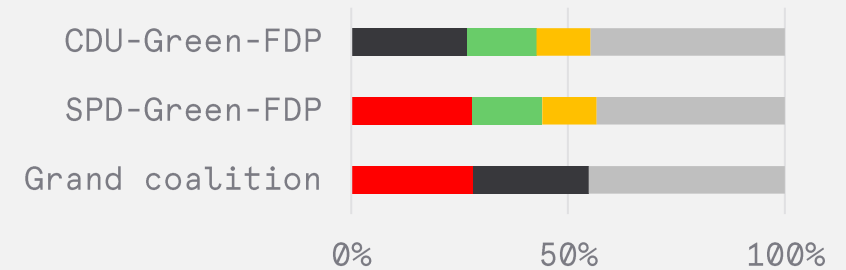


DISTRIBUTION OF SEATS IN THE NEW PARLIAMENT

	Seats	vs. 2017	Of which Direct district seats	Vs. direct seats 2017
SPD	206	+53	121	59
CDU + CSU	151+45	-50	98 + 45	185 + 46
Greens	118	+51	16	1
FDP	92	+12	-	-
AfD	83	-11	16	3
Left	39	-30	3	5
SSW	1	+1	-	-



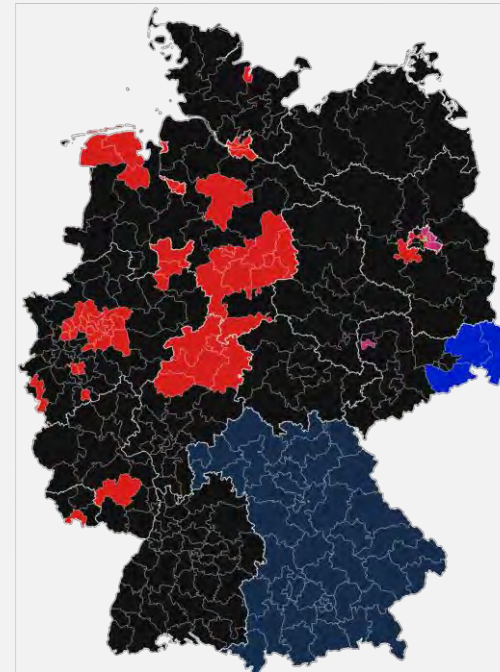
Potential majorities



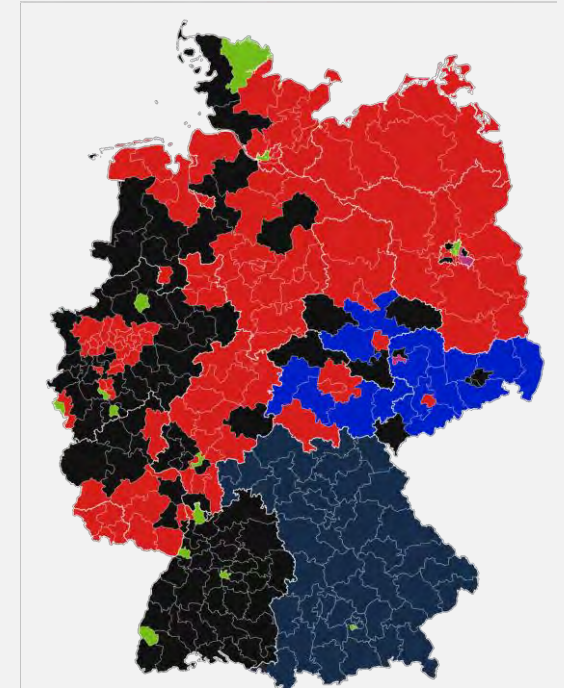
ELECTORAL MAP

- | SPD regained former strongholds in northern Germany, East, and South-West
- | CDU-weakness enabled AfD to significantly extend direct seats in strongholds in Saxony, Thuringia, and Saxony-Anhalt
- | Greens for the first time win significant number of direct seats in urban centrums
- | Left party rescued their continued presence in the Bundestag by winning 3 direct mandates (Berlin / Leipzig)

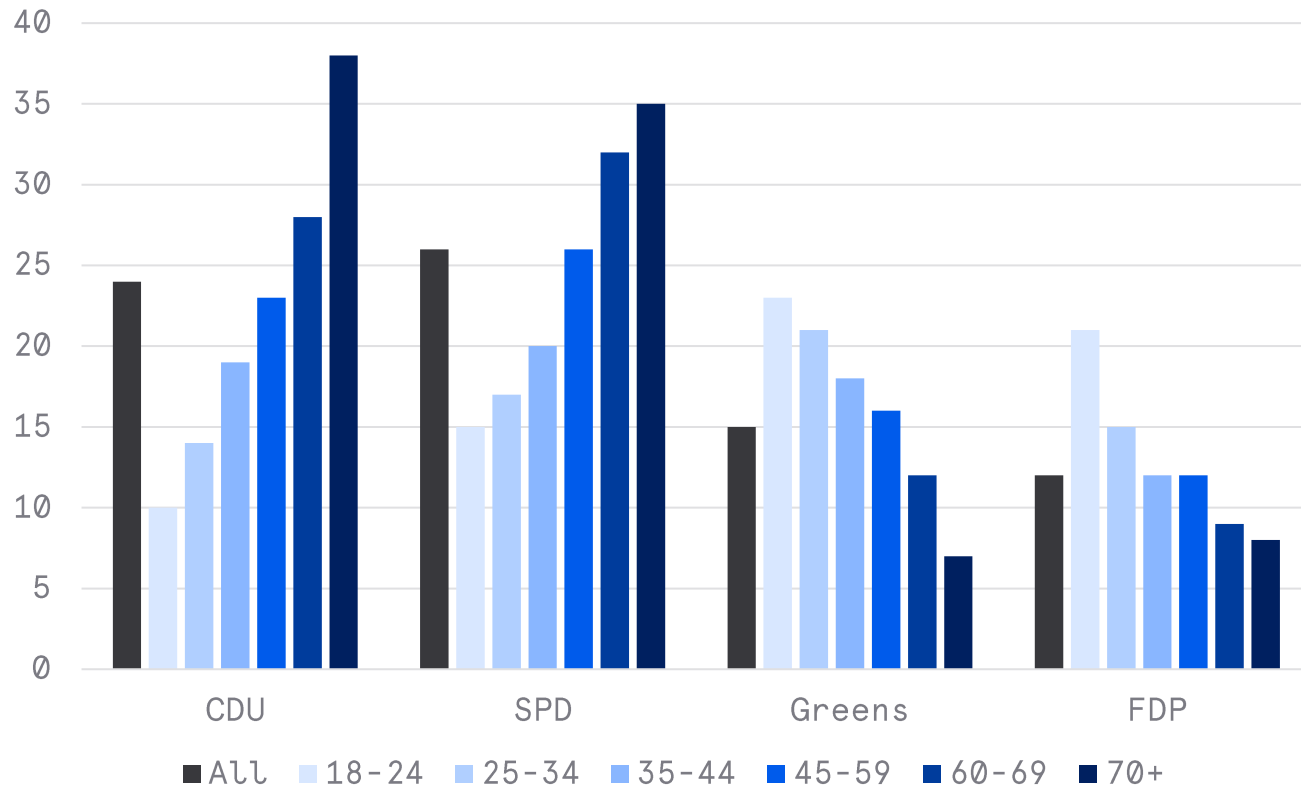
DIRECT ELECTORAL SEATS 2017



**DIRECT ELECTORAL SEATS
2021**



OLD(ER) vs. YOUNG: THE PARTIES' VOTER BASES



*data: infratest dimap



THE BUNDESRAT: AN OBSTACLE TO REFORMS

- | Composition of the German Federal Council since the 16th September 2021
- | Laws that affect state powers and constitutional changes need its consent
- | The coalition would have just 7 of the 35 votes needed for a majority - CDU/CSU in opposition block around 45 votes
- | CDU/CSU will have to be involved in major decisions

