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Olaf Scholz - Merkel 2.0?

- **Olaf Scholz has quietly emerged as the favorite in the race for the chancellorship and helped the SPD achieve an unexpected political high. Because of his pragmatic, low-key style, the moderate-conservative Social Democrat gives the impression that he could not only succeed Merkel as chancellor but also continue her political course.**
- **However, the SPD consists of a broad spectrum of political positions and many members can be classified as far more left-wing than Olaf Scholz. Germany's political future in the event of an SPD election victory would therefore depend on how much "Scholz-ness" there is in the SPD and with whom they would form a government.**
- **The same counts for Germany's future positioning within the international community. Scholz himself stands for continuation and has been open to China in the past, embodying a similar foreign policy course as Merkel. However, Scholz will need to defend a pragmatic approach to foreign policy both from critical voices within his own party as well as potential coalition partners.**

Olaf Scholz – the man behind the SPD's sudden success

After years of desolation and a series of electoral defeats, the SPD suddenly has a serious chance of winning the chancellorship with Olaf Scholz at the helm. But who exactly is the man behind the SPD's success and what would Germany look like under his lead?

Olaf Scholz scores with his experience as he held many internal party positions as well as public offices. Within his party, Scholz is considered to belong to the moderate conservative wing, even portraying himself as embodying the continuation of the Merkel era. He is viewed much more as an experienced pragmatist than an ideologue, carefully considering his positions and weighing the political consequences of his actions. His pragmatic approach to policymaking runs like a thread through the offices he has held over the past 20 years, often causing opposition within his own party. As current finance minister and vice chancellor, Scholz is an advocate of a rigidly balanced budget,

referred to in Germany as maintaining a "black zero". Opposing even his own party's leadership, he advocates to return to the limits of the constitutionally enshrined debt brake after the Covid crisis. Olaf Scholz may have a civic, pragmatic image, but what the political framework for the next few years in Germany would look like under SPD leadership depends on how much "Scholz-ness" is in the more and more left leaning SPD and what kind of coalition the SPD would form.

Pragmatism and continuity – Scholz and his approach to foreign policy

The same counts for Germany's future within the international community. Scholz himself stands for continuation – also in foreign policy. Like Merkel, he pushes for strengthening EU foreign policy and security capabilities. He wants Germany and Europe to play an active role in the world and is willing to provide resources to strengthen the EU's role in

global multilateralism and strengthen Europe's military capabilities.

Regarding China, he has been relatively open in the past and followed Merkel's course: He shares her view of China as both a partner and systemic rival and wants to push for a European approach to the Asian superpower. He acknowledges mutual dependencies with China and emphasises the need to cooperate on challenges such as the climate crisis. During his tenure as mayor of Hamburg, he has welcomed Chinese investment and cooperation.

Since Joe Biden won the U.S. elections, Scholz has been very optimistic about future transatlantic cooperation. Scholz is a supporter of the political course taken by Biden. He calls for close economic cooperation but emphasizes a stricter regulatory framework within which this should take place. Scholz sees an important first step in the joint resolution of a global minimum taxation for internationally active companies. Moreover, Scholz wants to continue working closely together on security policy.

The role of internal divisions and potential coalition partners

However, Scholz will need to defend a pragmatic approach to foreign policy both from critical voices within his own party as well as potential coalition partners. The SPD is generally divided on the issue of China. His potential coalition partners, the Greens and the FDP, would put pressure on Scholz to take a more critical stance towards China and prioritize human rights over other interests. Tensions within the government on China policy would be expected, especially if the Greens took over the Foreign Ministry. Contrarily, Scholz's position on transatlantic cooperation is likely to be highly compatible with the foreign policy ambitions of all potential coalition partners. The only exception

is the Left Party, which rejects international defence alliances such as NATO. Scholz already made it clear during the election campaign that this was a basic condition for a coalition with his Social Democrats.

One thing seems clear: if Scholz wins the election, his position within his own party will be significantly strengthened. This could give him the space to pursue a genuinely moderate true Scholz course as chancellor despite his left-wing party leadership. That would indeed come close to a political "Merkel 2.0" scenario.