



To the point!

Cross-Asset- and Strategy-Research

Take the European elections seriously!

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A lot is at stake for Germany's economy

The mood in Germany is gloomy, to put it mildly. Voters are fed up with what feels like the eternal bickering of the "traffic light" coalition government. According to current polls, the government in Berlin would only receive a third of the vote. In fact, one member of the coalition, the liberal FDP is once again in acute danger of dropping out of the Bundestag entirely.

And people like to berate the EU and Brussels anyway: too far removed from the reality of people's lives, too much regulation, too expensive... There is a danger of getting carried away with a vote for populist parties with the view of sending a clear signal to those in power in Berlin and Brussels. Such an instinctive reaction would be a grave mistake, though, because our prosperity depends to a large extent on a functioning Europe

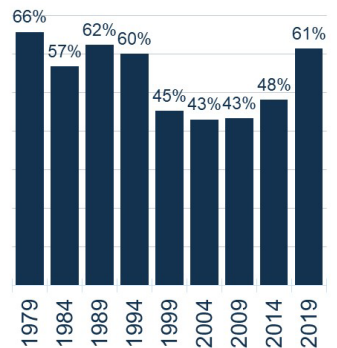
The populists have little constructive to offer

In the last European elections in 1999, the long-term trend of apathetic voter behavior was reversed (see chart). This was a welcome development, and it is to be hoped that it will continue on June 9. This is because a low voter turnout usually helps the political fringes. And this is where the danger lurks. Although the right-wing AfD has recently lost popularity due to a colorful bouquet of scandals, pollsters still expect it to land in second place.

It is therefore worth taking a look at the AfD's election manifesto. A Eurosceptic, even anti-European attitude is noticeable here. "We call for an orderly end to the euro experiment." This is stated in the party's fundamental program. The party believes that Brexit, which is now regarded as a tragic mistake by a growing majority in the UK itself, is worth emulating for Germany! The AfD sees the European Union as a failed project and is calling

This is no vote on the government!

Voter turnout at European elections in Germany



Source: Statista

for it to be replaced by a 'federation of European nations'. This position completely fails to recognize that for us in Germany, as an export-dependent nation, integration in Europe is a fundamental pillar of our prosperity. The Institute of German Business (IW) estimates that 2.5 million jobs would be lost within the first 5 years as a result of a "Dexit". The economy would shrink by 5.6%.

The business community takes a stance

German companies know how dangerous this is. More than two thirds of enterprises polled by IW see the AfD as a threat to the conditions of doing business in Germany. Normally, German entrepreneurs are careful not to comment publicly on their political preferences. But this restraint has now come to an end. Every second enterprise is publicly campaigning against the AfD. It is important and right for entrepreneurs to make their voices heard to draw attention to the risks to our economic model. It's not as if we don't already have our hands full with structural challenges – with global protectionist tendencies and a rapidly worsening labor shortage. The economic isolationism of the populists would have far-reaching and irreversible consequences.

Vote on June 9!

It is therefore important that we give the European elections the importance they deserve. I am not going to give a voting recommendation. Only so much: staying at home is not a solution. This will only strengthen the radical voices in the European parliament. Europe is not a failed project. But, as any institution, it is imperfect, and often frustrating. Yet, it is the best game in town if we want to look with confidence into our economic future. The time has come to renew the European promise.

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Enterprises po-
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