

Uncorrected Transcript: Check against Video for Quotes

QI Panel:

The German State Elections and the Rise of AfD

September 21st 2026

12:00 - 1:00 PM ET

Anatol Lieven

Hello everyone. Hello everyone. I'm Anatol Lieven, director of the Eurasia Program at the Quincy Institute for Responsible Statecraft, which, as I hope you all know by now, is a relatively new institute in Washington DC, dedicated to the promotion of restraint and prudence in U.S. foreign and security policy. Prudence described by Edmund Burke, though he he got the gender wrong actually, as the god of this lower world. Prudence was actually a goddess. Anyway, before introducing today's panel on the German state election results, I'd just like to flag we have a webinar tomorrow at the same time on the Putin, sorry, Putin, Trump, Trump, not Putin, Trump, Xi summit later this week, which I hope you will be able to attend.

Today we are looking at the state elections in Eastern Germany, which, as you probably know, have had some pretty dramatic results, especially for the Christian Democratic Union. And to discuss this, I'm joined by an extremely distinguished panel who have been our guests before. Wolfgang Streeck is the director emeritus of the Max Planck Institute for the Study of Societies in Cologne, a member of the British Academy, of the Berlin Brandenburg Academy of Sciences, and of the Accademia Europaea, and he is the author of several leading books. The most recent one of which is "Taking Back Control? States and state systems after globalism. Thomas Fasbender is a German journalist, former correspondent like myself in Moscow, and he since 2023 he has been head of geopolitics at the Berliner Zeitung, a leading German daily newspaper. Thomas is the author of several books, including a biography of Vladimir Putin in 2022. His latest book in German, "Der Orasienkomplex: Warum und wie dem Westen die Zukunft entreitert, the Eurasia complex: Why and how the future slipped away from the West was published this month. I do hope it will also appear in in English. And Molly O'Neal is a non-resident fellow at the Quincy Institute, a former foreign service officer, a Fulbright professor at the Center for International Studies in the at the University of Dresden.

And so, welcome everyone. So, I'd like to to begin by asking about well, what you think are the likely well, the implications and the likely consequences of this result or these results, which clearly have caused deep, deep anxiety, especially in the among Christian Democrats, but in the German mainstream parties more widely. Wolfgang, how revolutionary do you think the present situation is, and what do you think will be the consequences of these elections? I think you're muted.

Wolfgang Streeck 3:30

Uncorrected Transcript: Check against Video for Quotes

Yeah. Not precisely in the sense that you read it in the in the in the in the press, where almost the the seizure of power by by the like like in 1933 is is imagined the the the AfD is on on its way to to take over Germany, that that is not what is going on. These the last two elections in or the last three elections in the East were in very tiny in very tiny constituencies like 1.3 million voters, 1.7 and and in Berlin 2 2.5, which adds up to roughly 9% of the entire electorate of of Germany as as a country, and and these were very special situations. As you can see, for example, in Berlin, where where the the the Links Partai actually became the the the biggest party with one quarter of the votes, and and and and the AfD was somewhere in the in the background.

Still, I think it's not the the takeover of fascism that that is important, but the but the the breakdown of the center, the center of this party system is. Crumbling and it will very likely break apart. The the the the Brandmore the firewall is no longer tenable. The Christian Democratic Party has a problem of some of them insisting on finding a way to work with the RFD and others sort of objecting objecting to it dramatically. Social Democratic Party has a problem with its voters; they are running away in in large numbers, which will force the party leadership to become much less cooperative in the in the coalition government, that will damage the the the chancellor, and and and I think there is a situation of as as we've never had before of of great great disorder under the heavens, as the as the chairman used to used to call it, and and and and in such a chaotic situation, all sorts of bizarre things can can happen.

One thing, however, I I would like to then and and if I may, I I make a little prediction at this point, not very convincing, but but the the we will see a very different party system, and the party system that will roughly look like the Scandinavian or the Dutch party system, some sort of leftovers of the old center parties like the Christian Democrats and and the Social Democrats, and then a number of sort of very fluid additional parties, among them the usual sort of right-wing radical party, like this guy in the in in the Netherlands, or the the Fratelli in Italia, or Reform, or the Le Pen Party, and so on, and and and how they will group with respect to future policies and politics is is an increasingly open question. Look at look at France. Look look at the UK. We there will be an entirely new game, very different from what the Germans are used to. Some sort of two central stable parties and some sort of smaller parties grouping around them and basically taking orders from them.

So in that sense, a multipolar party system, very fluid boundaries, and and extremely unpredictable results. I I think the Scandinavians are used to such things. The Dutch, in in in a way, are used to it. Very long periods of of government formation, and and then they have this council that that sort of approves or disapproves of their party problems. We all don't have that, and and Germany will have to get used to it. And and some very nasty things may may be coming on which I would like to say something later because I because this is this is basically what I think is the main effect of these elections: a new party system with a crumbling center.

Anatol Lieven 8:21

Thomas, would would you agree with that? And if is there a risk that while all this sorts itself out, if it ever does, German government may become in effect semi-paralysed? Can Germany, can

Uncorrected Transcript: Check against Video for Quotes

Europe survive such as well? We will survive, of course, but how much how damaging will this be? Do you think to Germany and Europe, Thomas?

Thomas Fasbender 8:46

I just laughed when you said survive. We survived so much in Germany and in Europe as well. So I remain an optimist, but I fully I fully agree with Wolfgang in so far as that we are living through a complete refurbishment, restructuring of the whole party structure, and Germany at last, one must say, at last joins the group of European states that send their old post-war centrist, centrist, left centrist, right parties, yeah, on death row. Basically, Italy went first, Netherlands went first, France went first. Germany was for a long time, with still keeping relatively high electoral support for the Social Democrats and the Christian Democrats, was an exception rather than the rule. But now it has joined. It has joined the others. It for Social Democrats and Christian Democrats. They will have to redefine their future. It's related to social structural changes. It's related to changes in general societal attitude, individualism, breakdown of certain, say, collective loyalties, collective identities, big changes. Over the last 1020, even 30 years. So what began, in a way, what began after 1990 or during the 19 s is now completing fulfilling itself.

Second important conclusion, I think, is that the Green Party, which rather painfully, painstakingly moved from a leftist fringe party during the 80s and early 90s into the center is now suffering from the same demise of the center. Yesterday, asked the artificial intelligence about the election, the past election successes or non-successes of the Green Party. It's interesting that of 12 or 14 federal or federal state elections, the Green Party in a row lost lost 12, so 80 or 90% they lost. Their their latest success was in Sachsen Anhalt, a small plus. Yesterday they lost again, always in comparison to the previous elections. So the Greens they are they are sort of meshed into this this mild stream mild stream of that that has that has accompanied the center the whole center and who arises from the ashes it's it's sort of a renaissance of the political cultural war we had during the during the 20th century, the right the national right and the internationalist left, of course, not in the same in the same say body body or the the same state as 100 years ago, but pretty much Reminding also with say resentment and anti-modernist undertones on both sides, right and left. So for me, it's it's sort of a retro event that we experience here with anti-Semitism refloating again. So very strange phenomena.

Anatol Lieven 12:04

Yes, Molly, is this how you you see things? And and also, what do you think may be the consequences, if any, for German foreign policy, policy towards the European Union, policy towards America, towards Russia?

Molly O'Neal 12:21

Yeah, if I could, I'd just like to sketch in. Not only was this a debacle for the CDU, and it was really a historic, a historic failure. Even if they were in these two, these provinces are well. I

Uncorrected Transcript: Check against Video for Quotes

know Mecklenburg for Poemarn is such a small province as was Saxony-Anhalt, but nevertheless the decline in their support was really dramatic, even in even in Berlin, where they've been part of the government. So that's one thing. The other thing is, of course, the success of the AFD. I mean AFD in in in particular in in Mecklenburg-Volmer, where they came in in first place, and not only that, but at 38 something percent, they were like 20 points higher than in the last election.

So their trajectory is very very steeply upward, as is the case even in Berlin. So so, and I was looking this morning at the most recent aggregate polls at a national level because you hear people say this is exclusively about East Germany, and it is, you know, very much a prominent tendency there. But over the whole country, the decline of CDU's popular support is, you know, not steep but but noticeable, and as of the most recent Politico poll, it was AFD had 28 percent, where CDU had dropped to 20. So CDU is more or less kind of in the ballpark with Greens. I mean, really not the governing natural governing party anymore.

And as Thomas pointed out, the Greens haven't really been prospering either. Even in Berlin, where you'd expect greens to do well because the climate issue is such a prominent one, they lost what about eight eight? Well, they lost they lost ground. Let's just put it that way. So that that was surprising. So I don't know. I've been very interested in the fact that even though you know at a national level in the press you hear the allegation or the claim that the AFD one of the principal agenda items is the rapprochement with Russia, nevertheless you know this wasn't really prominent in the in any of these campaigns.

It's not really you know something that's on the agenda, like for example in Berlin, it seems like the Linka Party, its victory and its leader, Elif Erapp, yes, is of Turkish origin and is very much a replication of Mandani. I think this is really fascinating because she actually drew upon his success and talked mainly about affordability issues for housing and also availability of you know cheaper. It's an affordability issue across the board, and apparently that was a very winning formula in in Berlin, just as it has been in New York so far, so I think also the the fact that she represents you know a kind of repudiation of AFD more more more frontally a repudiation because of her her supporters and herself representing a diverse you know, ethnically diverse country.

So I'm sure I haven't seen any comments yet from President Trump, but I'm sure he will not approve at all. So we may see something in social media. So the other thing I've been looking at is Merit's reaction, which I think is doesn't bode very well from my standpoint of any sort of a learning curve or something for the CDU because his speech was to recognize it as a disaster, to characterize what's going on as the injection of an authoritarian poison into the body politic, so therefore reasserting the sort of us them dichotomy between the existing mainstream and the and the insurgent left and and nationalists whatever they are AFD, so that to me and then to have CDU not for the first time in its existence in the post war period go not even win seats in a in a state election is really phenomenal. I mean that in terms of a check, but his talk last night and then his talk this morning at a at a press conference, just it seems like he's saying we that's the it's a CDU problem. We all need to get together and discuss it. It's nothing. He doesn't

Uncorrected Transcript: Check against Video for Quotes

assume any kind of responsibility himself, and he just doubles down on the reforms, which he calls reforms, which are reforms, I guess, but they're not popular reforms. And so, if there he persists in those, I don't see how this situation is very hopeful.

So yes, I agree with both the other speakers that there's a tendency to erosion. And oh, and the other thing I would say, which both of them mentioned, is in many, many other countries. I was looking at a recent report. It was in Carnegie Europe, talking about the number of countries where the center right or center left, center right more often, but I get center right is actually in coalition with the nationalist right. So this has already happened, and Italy is a case. Italy has a ruling, and as well as coalition partners in that regard, you've got the Netherlands, as mentioned, Sweden, Czechia, Austria for a long time, or not right now, but has had those kinds of coalitions, and Poland. Well, Poland maybe it wasn't a coalition; it was just a ruling party that had the sort of nationalist, populist views.

So, all it seems to me the insistence that the that the Germans are taking that this is, or the CDU is taking, that there can never, never, never be any cooperation is really an untenable position. I don't see how they persist in that. And I, I did hear Wolfgang Monkow say recently a good idea would be to approach it on a issue by issue basis and say, okay, we can't deal with them on this issue, but we can deal with them on this issue or something like that. More or less, is what's happening in the European Parliament now. The European People's Party has to sometimes draw on support from the the party to its right, you know, one that has the Italian Fratelli in it, and so this kind of thing could could be a could be in store. But I don't know how they overcome their firm stance that this is authoritarian poison.

Anatol Lieven 19:03

Wolfgang, do you see in the end a right-wing coalition involving AFD as inevitable? How long do you think that will take to happen? And in the meantime, what do you think the response of the CDU and the present government to this defeat may be.

Wolfgang Streeck 19:24

See, first of all, I think following up to on what Molly said, in Germany we always have coalition governments. Sometimes it sounds like the the IFD was on the way to take over the entire state. The only case, or in in our West German history, of a party winning an absolute majority was in 1957 by Konrad Adenauer, two years after he had brought back the the last prisoner. Of war from from Russia, from from the Soviet Union. Otherwise, it's always more two two parties or more. If you if you imagine the the sort of Scandinavian or Dutch new party systems, then it's basically always a three-party government, and and I I foresee this for Germany too. If the IFD would ever get into a government at the federal or or at the local, it would be a three-party government because all these parties are too small. Two are not enough to to get a majority, that's the typical property of of of these fragmented party systems.

Uncorrected Transcript: Check against Video for Quotes

Now, now that that should give us a little reassurance that that this is not 1933, where when the vice president sort of appointed Adolf Hitler. just with with with his right hand and and and that is not a possibility in in in in our constitution. More, however, you were asking the the the question: What is going to happen in the meantime? And in the meantime, all sorts of bizarre things I think can happen. There is something going on in the Christian Democratic Party that sort of emerges from the land of North Rhine-Westphalia, where where I live, where they have a governor or a prime minister who runs the largest of of the 16 federal states, who who is from the old Merkel faction of of the Christian Democrats, and while Mass is from the same area, they are really sharp rivals where this where the Northern Venetian Prime Minister is playing it very safely.

How is he playing this? Even before the election, he assembled a committee, a committee, to check out the possibility of having the RFD banned by the constitutional court. Now I think this is going to be his his instrument to replace the the the the firewall. The moment he forces the Bundesrat or the federal government and the the Greens as well as the Social Democrats are very much in favor of this. The moment this case goes to the Constitutional Court, and the court will sort of deliberate for two or three years on this. Two years, let's say two years, but two years at the at the minimum. During that time, it will be impossible for any Christian democratic or whatever local local unit to cooperate with the respective counterpart in the in the RFD, it's impossible. It will be before the court, right?

Now, even if the court, there are indications that the Supreme Court or the Constitutional Court feels very concerned about this, because because the way they they they basically I think they tend to not believe that the evidence is enough to ban this party. Yeah. However, if they do not ban them, then they sort of take a very heavy responsibility by not doing it, as well as when they do it, the the disaster really begins. What is the disaster? The moment the constitutional court declares a party to be illegal or to to to to to be banned, all its party member parliament parliament members, on federal level and on lender level will lose their seats. The police will look after them and find out whether they commit a crime on and under our criminal code, which is to continue to continue a banned party with prison sentences up to five years.

Now, even if these people appear in public and say something like, "What a bad idea! But but I run again with my friends. On a sort of new platform in the next election, it can actually happen that they are being banned from it. So if you look at the at the law in in this country, now now we had two two party bans: 1960 1952 and 1956. One was a successor organization to the to the Nazi Party, and the other was the Communist Party. Now these parties had no parliament members anymore, because because they were sort of in in the elections they were gone, and it was very easy to ban them.

But in this case, you would have roughly 1000 people in communal local communities, lender parliaments, and in the in the Bundeswehr, you would even tell Frau whatever her whatever is her name, the the the the leader of the of the RFD in the Bundestag, that she has to she has to to sort of abandon her seat, and and and and she can't speak out politically anymore. It's an absolute nightmare. So so I think I think, however, that by putting this on the table and and and and using the Supreme Court, the the constitutional court, to go through this long trial, where,

Uncorrected Transcript: Check against Video for Quotes

for example, the there will always be testimonies on on on the on the crimes of the of the IFD and what certain IFD people have said. That will be a propaganda show of of unbelievable. There's no precedent to to it. I would be very much afraid of of this kind of exercise, which would very look very much like McCarthy, only that it is not in front of the of the of the parliament, but of the constitutional core, yeah.

Anatol Lieven 27:03

Is is this a fear that you you share? And also, I can imagine. I mean, once again, echoing McCarthy, that if the government does take this course or elements within the government, this would probably be associated with a tremendous campaign to fuel fear of Russia and of Russian alleged interference in Germany and support for AFD. Would would you would you be afraid of this this prospect, Thomas?

Thomas Fasbender 27:36

Well, let let me put it that way. It is definitely a fear that I would object to at the present point. That let me say, nightmare of contingencies that Wolfgang just described is one that I fully share. That exists. It exists with all foreseeable and most of all unforeseeable possible potential consequences. I think Wolfgang describes a scenario that hangs over us like a dark gray cloud on a late summer day, yeah, or late late autumn day. Coupled, coupled, of course, with the appropriate propaganda, anti-Russian propaganda, the enemy, enemy, the image of the enemy, which is necessary in in such a case. So yes, definitely Germany is in in a moment. We we are say our future is is full of again contingencies, most of which we would not like to happen to be realized, yeah. To take it down back to the concrete level, to the level of everyday's policy's politics. As as I interpret the today's decision by Frederick Mertz or yesterday evening's decision by Frederick Mertz, basically to go ahead, not to step down.

It's a clear sign, of course, by the Western German Christian Democrats, not to allow those tiny Eastern German federal states to derail Christian Democrat or the coalition government. If you imagine then the state of North Rhine-Westphalia, Wolfgang mentioned, yes, where Mel Mertz and Hendrik Würz come from, it comprises more voters than the whole of the five new German Eastern German states together. Yeah, so the the balance of power is is clear here.

Yeah, and I fully understand that Frederick Madd says I will not allow the voters of Saxony Anhalt or those of Mecklenburg Forpermann destroy my government. I believe in the reforms, etc. The tactics that he may choose may be a different one because already today we we hear from the social democrats that they react to the criticism to the reforms, the decided reforms by. The collision government much more sensitive than the Christian Democrats, so maybe Frederick Mertz simply tactically pushes the ball over to the Social Democrats and says, "Now, okay, if you will destroy the government, I will not step step back and and present Germany with ungovernability because there is no immediate successor.

Uncorrected Transcript: Check against Video for Quotes

And so, so he plays the ball to the Social Democrats, who over the next three four months we we get under extreme pressure by by the victorious Social Democrats in Mecklenforeman, because Manuel Schweizick, the the Prime Minister there, has already criticized the reforms, and by the Most likely leftist-led government in Berlin, who equally will oppose the say the the decided impossibility to to a full pension with at the age of 63 and so on.

So the Social Democrats in here as Babel Baas and the the the what's his name again, the finance minister, Klingbah. We're already getting past our 70s. Yeah, yeah, yeah. So the the the the present leadership of the social democrats they will get under extreme pressure and maybe Mert says okay if you want to leave the government if if anybody wants to leave the government it will not be us because it's the DNA of the Christian Democrats to be to guarantee the functionality of the German government that since 1949 it's simply it's simply the absolute party DNA. So if the Social Democrats then say in November, December, or early next year leave the government, that would allow Merz again to destroy immediately in the interest of the functionality of Germany to destroy two basic dogmas of German policies, of Christian democratist policies. That is first the opposition to minority governments and the firewall. So he would then, in the interest of the of the nation, be allowed to govern with from case to case, AFD support. So that's the that's the tactics I present them as of today. Maybe they change tomorrow.

Wolfgang Streeck 32:30

Can can I can I just one sentence on this? I I think it's no longer it's not a question of of someone deciding to get out of the question. The the the parliamentary parties, the fraction. are no longer to be trusted by the party leaderships. You you saw this in the case of this presumable constitutional court appointment. This this woman who this law professor who who yeah yeah who who failed to get appointed because of resistance in the Christian Democratic Party which which cost the party the the the factions for its his job basically was not child it was it was that he couldn't discipline this from now on I'm very sure that the Social Democratic Parliamentary Party will no longer be disciplined in critical on critical issues by the party leadership in in the cabinet. You just cannot predict that they will stand for this sort of reform program when it comes to the to the vote in the on the on on the floor.

The same with the Christian Democrats. If merz tries to push something that he agreed with agreed on with the with the Social Democrats. If he tries to push this through his party group in the in the Bundestag, there can no nobody can be certain that what will come out is what he wants to come out. And and as a loss of this this discipline, the the loss of discipline among the parliamentary parties is essentially what brings down what brings down this government. That's my that's my guess.

Thomas Fاسبender 34:31

Well, you could conclude with with saying that basically Merz after these elections he may he may not have lost his chancellorship so far he hasn't, but he has lost basically his authority in his own party. Yeah, the same. The same is for Klingbal and Baas. The only one who really

Uncorrected Transcript: Check against Video for Quotes

commands authority right now is Manuela Schwisig in Mecklenburg-Vorpommern, and in Mecklenburg-Vorpommern.

Wolfgang Streeck 34:57

Yeah, only there, I think.

Anatol Lieven 35:00

Well, that leads me to a question, actually, from the audience. Molly, perhaps you would like to answer first whether this really marks the end of neoliberalism and Merz's reform program, if you can call it that, in Germany.

Molly O'Neal 35:21

No, I I don't think so because AFD it may have disagreeable policies on migration and from the standpoint of the mainstream also on defense and security, which is obviously very critical. But as far as if there was ever any meeting of the minds between AFD and CDU to overcome the firewall on specific issues. Alice Vidal and the whole FD would be perfectly okay with most of these neoliberal economic reforms. If anything, you know they would double down on that kind of an approach.

So interestingly enough, that's the actual picture, and that kind of exposes the irony to some extent of calling them the authoritarian poison and so on, but anyway, so that's it. About this, I I was interested in the you know the idea of SPD eventually defecting from the government. I can see that could happen because it may be quite an undisciplined party, but it would be suicide for that party. I mean, it's already declining dramatically. I don't know how that would do anything but just consign them to like complete irrelevance for the foreseeable future. So I hope that they are not that well. I I trust, or I don't. I have trouble believing that they would be that foolish, you know.

Wolfgang Streeck 36:40

I I even think they can break apart. the the the party can split in the same way in which the Christian Democrats can split in two, and and and over the question of these reforms. And I mean I mean the the thing with these reforms is, in my view, the following: none of them will address any of the severe problems the German political economic system has. That they are they were from the beginning for symbolic purposes. Remember before before the the the summer break, they passed this pension reform. Now now the the they pass it in the in the in the government.

Now now the the experts look at this and and and they say where is the where's the change? What is new there? Yeah, and and in my view, the real problem responding to Thomas is not necessarily that that there is a sort of change in mood or in in other attitudes or people

Uncorrected Transcript: Check against Video for Quotes

becoming more more nationalist. As a materialist, I would think what we are facing here is a country in a poly crisis where several crises are running in parallel, none of which is solvable in any predictable period of time.

So, so, so that is a situation in which I mean, these crises have been building for a long time. To think about the the education system, think think about government debt, think about the crumbling infrastructure, think about the environmental crisis to which they went in a very very strong ideological way by by the led by the Greens. If you take all of this together, then I think no government would be able to to deliver on promises like we will have more economic growth, we will have a better education system, the trains will run on time, the the the the hot summers will no longer kill 10s of 1000s of pensioners, and and so on and so on.

Anatol Lieven 39:07

And we will build a huge new German army.

Wolfgang Streeck 39:11

Oh yeah, oh yeah, and and we'll be the leaders of Europe in in an unending proxy war with with Russia, and and put all of this together, then the cynical situation is that even if the even if the RFD would would govern, it couldn't change anything because they wouldn't know what to do about it, and and so. But it's very interesting that that these these problems are comparable in different European countries. In in Britain, it's roughly the same. The same sort of decay of of public goods, decay of the budget, too few taxes, too too higher expenditure. Expectations that that cannot be that that cannot be delivered on broken promises. I recently read a book by an American historian about the the decay of Western Western democracy. They called broken promises since the 1970s. Things were promised that they couldn't that that that that couldn't be delivered on. Now is the moment where basically they would have to tell people, look, we have painted ourselves into a corner. There there are problems that cannot be solved until the next election. Believe it, but that they don't do.

Molly O'Neal 40:43

I just want to ask a question quickly. As I this, I I had understood that Voost was supportive of the notion of trying to ban AFD, but I thought and think or have believed that Meritz was opposed to it. And and what's the what's the comparative strength of the two views within the CDU, because that I agree could be really an awful, fateful bad decision if that were pursued.

Wolfgang Streeck 41:12

Yeah, I I think if you Merz was up to now against taking the case to the Supreme Court, to the to the Constitutional Court, and and and I think at some point he wants to keep the door open to some sort of rapprochement arrangement with with the RFD, precisely for the reason Molly that you mentioned, which is that in terms of economic policy, which is which is at the heart of of of

Uncorrected Transcript: Check against Video for Quotes

his worldview, in terms of economic policy, there is not so much of a difference with with the RFD. Much more difference between between the Mertz CDU and the Social Democrats. So, but but if you foreclose this, then then this sort of approach would be dead, and and and then it would be the sort of black green small red coalition as as as the next possibility.

Anatol Lieven 42:24

When it comes to broken promises, Britain is a rather one could almost say amusing case now because John Healey, when he was defense minister, attacked and helped to bring down Starmer by saying that Starmer had reneged on his or was reneging on his promise to raise defense spending to 3% by 2030, now that Healey is the finance minister, the Chancellor of the Exchequer, he has gone remarkably silent on this. While the new Prime Minister Burnham says that social security must take precedence, and you know that that actually internal political social stability is also a source of national strength. In Germany, are these promises of rearmament actually feasible anymore, or is this going to also, like in Britain, gradually fade, possibly without anyone ever announcing it.

Thomas Fasbender 43:26

It's going to it's going to gradually fade because what Mertz has has proved himself as as an ardent follower of of Donald Trump's demands, yeah, as as being as being the the the best pupil in class, yeah, and saying at first yes, we will reach 5% and so so then then they calculate, and we need we need new bridges, yeah. So you you construct the new bridges in order so that the latest tanks can can drive across, and you have military investment, yeah. But you need the bridge anyway, and that's the same with with trains. The same with the whole basic infrastructure. Our infrastructure problems are not related to the negligence of present of past politicians, but to the fact that they were all built during the 70s, 80s, and 90s, and they have simply outlasted their their age.

So they need to be replaced. Yeah. The the the big problem I see, and I think Wolfgang has directed it right to the take a European view here. We have reached a stage where reforms are not sort of well a leftist preference or rightist preference. They become national necessities, national necessities, and it will eventually, people, people, voters, and politicians have not yet understood this. It will become nationally. It will become eventually a necessity to find any politician, whoever it be, rightist, leftist, centrist, simply to take up the courage, like Gerhard Schröder did it, a social democrat who in. In fact, introduced with his plan of Germany 2010 25 years ago a very non social democratic or at least a very non socialist reform agenda agenda 2010 which definitely put the put the country on a forward path and and proved very successful.

This is what we are lacking, and whether it comes from a rightist politician, or even from a leftist politician, or or a woman politician, a man politician, what what the country hungers for, and what people knowingly or not knowingly really desire to see is anybody, any person, any one person who moves to to the to the top and says, "Well, I take I take the reins in my hand, and

Uncorrected Transcript: Check against Video for Quotes

we do that. And this concerns education reform, social expenses reform, pension reform, health reform, etc.

Wolfgang Streeck 45:53

That that would be, such a person doesn't exist.

Thomas Fasbender 46:00

Yeah, well, but we need it.

Wolfgang Streeck 46:02

Yeah, we need it. We need a lot of things, but we can't have it. And and it is not the the world of a democracy today that someone simply comes and and and and does everything at the same time.

I I think we have a very serious problem of also comprehension of what our problems are. See, in in beginning in the 1970s, 1980s, sort of capitalist countries sort of collected less and less taxes from business and large corporate corporation taxes went down. At the same time, the costs that capitalism inflicted on the political economies of these societies increased: environmental cleanup, education, research and development, all all sorts of sort of preparations for profit making that had to be paid for by the public. Then, so in this process, in this process, they, our government, invented something that they thought was a was a very smart move, namely deregulate the financial system in order to make it possible for the governments to borrow in unprecedented at unprecedented levels from the banking system.

So if you look at the at the level of public debt that begins somewhere in the 1980s, essentially in in in in America, and then the first Bush had the first crisis. This was the savings bank crisis in in in Texas. So the risks in the in the financial system increased permanently, and the levels of of indebtedness increased to in in a way that exceeded even the the the Second World War. Look at the United States leading that to clean this up would be more enormously difficult. Right now, in all these countries, if you want to to spend more money on infrastructure, crisis solutions of of all kinds. the the The problem becomes that at the low growth level that we now have, the interest to be paid on the debt is beginning to increase to a level where all the new debt goes into the interest of the old debt, and that's exactly the situation when when your interest rates increase because those that that lend you the money, we become very concerned about your ability to repay it, unless you are the United States.

So we really have a very fundamental fiscal problem, and and on top of that problem, we have now the commitment in order to sort of keep keep the the shop together, invent invest unbeliev or spend unbelievable amounts of money on armaments in in in Germany, up to 5% in order to be to have the the biggest army in in in Europe, and to please the United States, that that comes at a moment when when everybody in the world becomes concerned about the the the

Uncorrected Transcript: Check against Video for Quotes

incredible level of indebtedness, and and of course arm spending does not lead to higher productivity. the the The excuse for taking up debt is always you invest it in something that increases the productivity of the economy, so that the debt pays for itself.

But that doesn't apply at all to to arms. Our defense minister was two days ago. He he was in the United States to pick up the first of 30 5f 30 5s. I don't know why it's 35. So they can remember the number, 30 5f 30 5s, and and this this is supposed to cost \$20 billion, that this only for us to be able to transport American nuclear bombs, American nuclear bombs on American command into Russia. Yes, absolutely incredible. It's it's called it's called nuclear participation. We we are buying these things for one purpose to to bomb to bomb Russia with nuclear with nuclear bombs, and they will be stationed close to where I live, this will be the first strike of of of the Russians if they if they try to do something about this.

Yes, I I live I live around the corner, so so that's totally the in in my view, these people have lost control. They are doing sort of desperate things in order to be able to do something. Even this 20 billion. Ah, yeah. And then part of the of the of the contract with the United States is that the final price of the F 30 5s is being announced by the American government to the German government at the moment of delivery of these pieces. Now they have delivered one, and and and 34 will be following. And today I read in the newspaper that our military is thinking, why not have 35 more? It's a beautiful. It's the best fighter plane in the world.

Anatol Lieven 52:09

Caveat, despite the fact that these days one could provide a very convincing defense at a fraction of the cost, of course, with with drones and missiles, as the the Ukrainians have demonstrated ut it does. I mean, it it seems to me that the Western states are now facing something which is as old as states or state weakness itself, which is simply the the inability to raise enough revenue, in part, to cover what they state to be their needs.

Now, of course, in the globalized financial system, to do anything serious about that, you need coordinated action in different states. Do you see any possibility of that happening? I mean, if if this crisis gets bad enough, the you know, if the money just evidently is not there, and the debt can no longer be raised. Is there a possibility? Do you think of Western governments cooperating to crack down on money laundering, tax evasion, or avoidance?

Wolfgang Streeck 53:16

Yeah, no, I, I, I, I don't see it. Yeah, but but but Molly is the expert on on on international politics.

Molly O'Neal 53:26

Well, I mean it's quite clear with Trump, the Trump administration hasn't got a multilateral bone in its body, so they definitely everything is zero sum, and so it's all very well if the others want to do that, but the U.S. is never going to promote that. I mean, it seems like the main objective is to

Uncorrected Transcript: Check against Video for Quotes

ensure the U.S. remains, the U.S. dollar remains in its primary position, and at least that's their stated purpose. That what they're doing is probably contrary to that purpose, but they don't realize it probably at this point.

Thomas Fasbender 54:01

Well, European the European Union has recently decided that foreign banks must not allow European citizens or citizens of European states to open accounts at their banks without information to the to the EU. Otherwise, they these banks will lose any any right to deal with or in in the European Union, so there is a clear tendency to control the assets of all the citizens of the European states.

Anatol Lieven 54:31

We have a another question from the audience about just how central now, especially to the rise of AFD, of course, is in Germany the issue of immigration. Has pointed out that you know in Sweden and in Denmark the apparent you know relative success of centre-left governments in getting a grip on the migration situation has. Allowed them to stay in power or brought them back in power. Is this truly a central issue now in German politics?

Thomas Fasbender 55:07

Yes, I would say it still. It still is. I would not go that far as to say that the migration issue was decisive in the recent elections that we saw in Saxony and those yesterday. But it still is an underlying factor driving unsatisfactory feelings among population, feelings of insecurity, feelings of yeah, social injustice. Well, it's still still we still have the case that 40 47% of of social expenses to of social support expenses go to foreigners in Germany, and these are numbers which are known. The same goes as to high high crime rates among non-Germans or among Germans of foreign descent with several several significant groups here, so there is a migration plays a large role in in the mistrust by the populations towards the government. Although one must say that, of course, one thing the present government assured was at least a sort of control on illegal immigration recently over the last two years, but there are also critical critical voices who say that this is in fact more a game of statistics than the truth.

Wolfgang Streeck 56:36

Yeah, we we have I mean I mean parties are spectrums of of political attitudes, and and on on the right fringe of the IFD, I I think there is a very violent potential with respect to foreign-born people living living in Germany. There is a there's clearly a potential for violence, and not not in the leadership of the party, but the party, as parties do, sort of tries to keep this fringe linked at least to the extent that when it comes to an election, they they will support the the RFD. If if you look at at Vital's rhetoric about remigration, when she really gets out of in their party speech, and they say remigration, yes, that's what we want.

Uncorrected Transcript: Check against Video for Quotes

This is pretty scary, and and at the same time, I would think that going back to this to my initial idea on on future party systems, if the AFD sort of moves more to the center through a more porous firewall, then it could be that on the right side of the of the IFD, something else, a sort of really radical right wing party, emerges. We have that in Britain already. We have that in in in France, where we have these right wing movements to the right of the Le Pen party, and we now have it in Italy, where where this retired army general is sort of setting up something that is to the right of of Meloni, yeah. So I think one way of a more fractious firewall, one effect could be that the RFD sort of splits, not necessarily in the middle, but on on on the right side, it would be a replication of something that we see in other European countries.

Anatol Lieven 59:07

Yeah, we do indeed. What we also see in Britain, really, I think, for the first time in in modern British history, is the appearance of something that looks a bit like an incipient paramilitary group. Well, we had that in Ireland, but not in England as yet.

Well, this I'm afraid is is all we have time for. Thank you, thank you all very much for a fascinating, if not enormously cheerful, discussion. But anyway, we're we're most grateful, and we look forward to talking again soon.