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Angela Merkel: “Mutti’s” World-Class Leadership

**ABSTRACT**

The formation of the European Union allowed Germany to distance itself from its Nazi past and become an influential European state. The 2008 world financial crisis further enhanced Germany’s power because it was one of the few European countries that continued to enjoy strong economic growth. Although the Euro-crisis thrust Germany, along with France, into a leadership position within the European Union this role came with serious liabilities. Domestically, there was pressure on the German political leadership to force countries facing financial crisis (Greece, Portugal, Northern Ireland and Italy) into a strict fiscal diet. Within those economically troubled countries, there was a deep resentment against austerity packages proposed by Germany. Such a situation would be challenging for any democratically elected leader, but it is my contention that Angela Merkel’s leadership style and the changing political landscape within Germany enabled Markel to win a third term as German Chancellor. In order to explain this phenomenon, this paper examines Merkel’s entrance into politics, and her eventually appointment as German Chancellor in 2005. Additionally, it examines the Euro-crisis, and its effects on Merkel’s reelection in the 2009 Bundestag election. In explaining Merkel’s election success, this paper shows that Merkel’s popular leadership style, which is aligned with the German culture in a way that satisfies citizens, has trumped the effects of the Euro-crisis during Bundestag elections. In closing, this paper examines the 2013 Bundestag election and attempts to concentrate on issues that Merkel will be forced to address within this third term.

**INTRODUCTION: MERKEL’S RISE**

The formation of the European Union allowed Germany to distance itself from its Nazi past and become an influential European state. The 2008 world financial crisis further enhanced Germany’s power, because it was one of the few European countries that continued to enjoy strong economic growth. Although the Euro-crisis thrust Germany, along with France, into a leadership position within the European Union, this role came with serious liabilities. Domestically, there was pressure on German political leadership to force countries facing serious financial discrepancies (Greece, Portugal, Northern Ireland and Italy) into a strict fiscal diet. Thus, within these economically troubled countries, there was a deep resentment against the austerity packages proposed by Germany. Such a situation would be challenging for any democratically elected leader, but it is my contention that Angela Merkel’s leadership style, which complements Germany’s culture and its changing political landscape, enabled Markel to win a third term as German Chancellor.

Before one can examine the Merkel’s most challenging political issue, the Euro-crisis, it will be important to examine Merkel’s rise to becoming German Chancellor. After moving to West Germany in 1989, Merkel’s first serious interest in politics began when she joined a small right-wing party, the DA (Reutter 219). Having written her first political article on market economies, Merkel’s paper caught the eye of Giinther Krause, who was an influential East German within the CDU at that time (Reutter 219). In time, with Krause’s help, Merkel was eventually placed on the CDU’s party list (Reutter 219). Needing a woman representative in an important ministry within the CDU, party leader, Helmut Kohl, chose Merkel to become the next Minister for Women’s Affairs and Youth in 1991 even though she was relatively inexperienced at that time (Reutter 220). As Merkel gained more popularity and experience within the party, Kohl appointed her Minister for the Environment in 1994 (Reutter 220). However, not having a true understanding of German constituents’ wishes, Merkel had difficulties implementing effective policies dealing with controversial issues, like abortion and nuclear waste, during her tenure as the Minister for the Environment, (Kintz 420). Nevertheless, this position did allow Merkel to gain valuable experience in running an administration, to gain popularity within the party, and to gain knowledge on the party’s political structure (Reutter 221).

Having natural political instincts, Merkel had always positioned herself close enough to top CDU advisors to ensure upward political mobility (Kintz 423). However, Merkel also made sure she was not too politically connected to these advisors should they ever lose power within the party (Kintz 423). This political strategy became immensely essential when the Kohl Administration was found guilty of being involved in an embezzlement scandal; thus, it forced Merkel to separate herself politically from her mentor (Reutter 221). For example, as the Kohl scandal was evolving, Merkel wrote a manifesto condemning his actions (Kintz 423). This action helped convince fellow party members and the German citizens that Merkel would be the perfect break from the Kohl Administration (Kintz 423). In 1998, Merkel was offered the General Secretary position within the CDU (Reutter 221). From this position, Angela Merkel was then promoted to Chairperson of the CDU after winning 96% of the party’s vote (Reutter 215). With support from both the older and younger party members, Merkel became the face of the CDU (Kintz 424). Knowing that the CDU would most likely lose the 2002 election, Merkel made a quick, strategic decision to give up her spot to run for German Chancellor to her most serious competitor within the CDU, Edmond Stoiber (Reutter 223). With Stoiber’s assured loss in 2002, Merkel was set to become the CDU’s next chancellor candidate for the 2006 federal election (Reutter 223). With Chancellor Schroeder calling for new elections a year early in 2005, Merkel was the only advisor from the CDU prepared to run for German Chancellor at that time (Kintz 424). Nonetheless, the CDU received the most votes and Merkel became the next German Chancellor (Reutter 223). However, in another quick, decisive political maneuver, Merkel suggested forming a Grand Coalition in order to appease the SPD and ensure trust in her leadership by both major parties (Reutter 223). In conclusion, using smart political tactics, Merkel took advantage of small window of opportunity that aided her in becoming German Chancellor (Kintz 419).

**TESTING MERKEL’S LEADERSHIP: THE EURO-CRISIS**

Throughout her tenure, the Euro-crisis has and will continue to be Merkel’s most difficult political challenge. In fact, the Euro-crisis has become a controversial topic both within the European Union and Germany. To investigate its effects on Germany and the European Union, it will be important to first explain the origin of the Euro-crisis. The evolution of the European Union began in 1951 with the development of the European Coal and Steel Community (Smith 52). This pact was first formed as an attempt to restore the European economies after World War II, to defuse the rise of possible communist leaders within Europe, and to prevent future wars amongst neighboring European countries (Smith 50). As time went on, more European economic pacts were formed as more countries wanted to join in Europe’s prosperity (Smith 52). With the signing of the Single Market Act in 1992, the European Union was officially formed (Smith 52). By 2013, the European Union had become the world’s largest trading agreement as it represented twenty-eight states and 500 million people (Smith 54). In order to join the European Union, a country must meet a debt and inflation criteria (Smith 55). For example, the initial target rate for each country’s debt within the European Union was 60% of its GDP (Smith 55). However, many European Union countries had an average debt of 72% of its GDP in 2010 (Smith 55). Moreover, by 2010, some of the worst members’ debt to GDP ratio was over 100% (e.g. Greece was at 145% and Italy was at 118%) (Smith 55). One of the major problems that led to this inflated debt to GDP ratio was the fact that poorer European Union members could borrow funds at the same rate as the richer European Union nations (Jones 23). Without the risk of defaulting, this action provided incentives for poorer governments to engage in deficit spending and irresponsible borrowing (Jones 23). The implementation of the Euro limited other nations’ ability to devalue and revalue its currency; thus, it was only a matter of time until poorly ran economies would acquire current account deficits (Rosenthal 57). Conversely, since Germany devalued its currency during the 1990s, the implementation of the Euro enhanced the German exporters by making their goods relatively cheap when compared to other European countries’ goods (Rosenthal 56). With increased wealth, Germany enjoyed improvements in its current account balance and became one of the world’s largest exporters (Rosenthal 56). Overall, through the integration of various European nations, the European Union has become an economic asset for Germany.

Once poorer nations had taken on immense debt, richer European Union members, like Germany, refused to initially provide these nations with the necessary financial stimulus packages (Smith 55). This lack of financial aid made it nearly impossible for poorer nations to continue to pay back their old debt through the use of new debt (Smith 55). These actions also discouraged speculators from purchasing these poorer countries’ risky bonds (Rosenthal 60). Therefore, with neither new debt funds nor bond funds, poorer European Union members could not eliminate their current debt payments (Rosenthal 60). Ultimately, after agreeing to provide financial stimulus, 640 billion Euros were given to poorer European Union members to resolve their risk of defaulting (Smith 49). Of the 640 billion Euros given, 440 billion Euros were provided through the European Financial Stability Fund and 200 billion Euros were provided through the International Monetary Fund (Smith 49). By allowing the International Monetary Fund to aid in bailing out these poorer countries, the International Monetary Fund now has some control over the economic functions of the European Union (Smith 49). Additionally, European Union leaders attempted to implement policies to limit debt levels through constitutional amendments and fines enforcing financial discipline (Smith 49).

While the powers within the European Union have acted to deter the worsening Euro-crisis, there have been numerous criticisms of the overall structure of the European Union. Critics contend that the European Union has not provided the necessary incentives for poorer nations’ to stop irresponsible defaulting and indebtedness; thus, they believe stimulus packages will become a constant problem (Belke 676). To solve this issue, some critics believe that poorer nations should be allowed to leave the European Union and return when their economies are healthy (Rosenthal 60). Other critics suggest that the European Union should implement innovative fiscal policies instead of consistently providing financial stimulus packages (Belke 674). For example, some critics advocate the use of “Eurobonds” in fixing the Euro-crisis (Smith 50). These “Eurobonds” would be sold to investors in bundles that would guarantee losses up to 40% by the richer European Union economies (Smith 56). Additionally, if borrowing on these “Eurobonds” surpassed 60% of one’s GDP, then the excess loans would be flagged; therefore, investors would be able to easily recognize extremely risky bonds (Jones 34). Since riskier bonds yield higher returns, only certain investors would risk buying these bonds (Jones 34). By ensuring long-term stability, “Eurobonds” would provide an intrinsic fiscal safety net that many believe the European Union is currently missing (Smith 50). However, since the European Union is a currency union, it lacks the necessary autonomy to uniformly integrate fiscal policies between nations (Belke 674). Without a fiscal union, countries do not have an incentive to share fiscal resources consistently (Jones 22). Therefore, countries avoid financially supporting one another and often fail to form responsible economic policies (Jones 22). For instance, without a central fiscal control, poorer nations will continue to run debts in order to maintain their citizens’ consumption and living standards (Belke 675). While some nations support the formation of a European fiscal union, other nations believe that a fiscal union will lead to large losses in an individual nation’s national sovereignty (Dempsey 4).

In order to understand Merkel’s handling of the Euro-crisis, it will be important to investigate the domestic and international pressures that influenced German policies. With German exporters benefitting the most from the development of the European Union, Germany has become the wealthiest leader within Europe (Young and Semmler 5). For example, Greek exports only grew by 27% from 2001 to 2008, while German exports grew enormously by 46% during that same period (Jones 31). Even with this enhanced wealth, Germany has been slow to support the financial stimulus bailouts for the poorer members experiencing economic hardships (Young and Semmler 5). By hesitating in providing financial stimuli, the poorer nations’ failed to refinance their debt as investors were scared to purchase these nations’ risky bonds (Jones 26). Consequently, international critics have accused Germany of pursuing a “beggar-thy-neighbor” trade strategy that has hurt its fellow European Union members (Young and Semmler 7). Nonetheless, this slowed response is partially due to the domestic political consequences that the CDU would face within Germany (Young and Semmler 5). German citizens believe that if poorer nations cannot be forced to adopt responsible fiscal policies, then German taxpayers will be responsible for continually having to provide the funds for future stimulus packages (Young and Semmler 8). Instead, German citizens believe that other nations must solve their own financial problems by becoming more frugal (Morris). In fact, by borrowing less than any other nation within the European Union, Germany has been able to save approximately 40 billion Euros (Morris). In conclusion, German citizens believe that bailouts would require virtuous, frugal, and hardworking Germans to pay increased taxes to support lazy, overspending Greeks, Italians, Spaniards, etc. (Rosenthal 53).

Being heavily influenced by Germany’s domestic interests, Merkel’s solution to the Euro-crisis was much different than other European leaders’ solutions. This difference in opinion led Merkel to receiving intense scrutiny and feeling enormous international political pressure. For instance, in solving the Euro-crisis, France favored providing economic stimulus packages to raise demand and consumption within poorer nations; however, France did not believe it was necessary for these poorer nations to impose new financial regulations (Young and Semmler 18). Conversely, Merkel, as well as the German citizens, believed that these poorer nations could reduce their debt by receiving reliable loans through the Bundesbank (Young and Semmler 18). Accompanying these loans, poorer nations would also be responsible for implementing stricter fiscal guidelines (Young and Semmler 18). After hours of negotiation, European Union leaders agreed to pass a 650 billion Euro financial aid measure to support poorer members (Young and Semmler 7). Specifically, in regards to Germany, the Merkel Administration committed 22.4 billion Euros over three years to aid in Greece’s recovery (Young and Semmler 7). Subsequently, this initiative was widely opposed by the German public who pride themselves on frugality (Smith 71). Multiple legal suits were actually filed within the German Constitutional Court to deter future German spending in the international political sphere (Young and Semmler 7). Ultimately, the German Constitutional Court ruled that all future European Union fiscal measures must first be approved by German legislature (Young and Semmler 7).

**MERKEL’S ACTIONS AT HOME**

As the global financial crisis intensified, Merkel emphasized a financially responsible domestic policy within Germany. With the opportunity to present themselves as effective crisis managers, the federal government led by the CDU developed a multifaceted plan to restore consumer confidence in the nation’s banking systems (Zohlnhofer 8). In order to restore confidence in the German banking system, the federal government guaranteed private banking accounts, while also offering the banks the opportunity to accept an optional bailout package worth up to 480 million Euros (Zohlnhofer 14). By accepting this bailout package, the banks would be forced to adapt stricter regulations that would cap the bankers’ salaries (Zohlnhofer 14). Additionally, the government offered state-subsidized loans to the banks in an attempt to limit the impact of the recession (Saalfeld 6). Besides banking reforms, Merkel introduced government budget reforms that required the German government to set a balanced budget every year (Kielinger 35). In fact, this law makes it illegal for the federal government to run a budget deficit of more than .35% of its GDP starting in 2016 (Kielinger 35). Furthermore, while the SPD demanded stimulus packages for Germany’s major industries, the CDU made the decision to refuse full bailouts to large German industries, like Opel and Arcandor (Zohlnhofer 24). For instance, Opel, which is a German car company, was offered a 1.9 billion Euro loan package; however, this bailout also came with strict regulations that demanded that ownership would be transferred to a more responsible owner in the Magna Corporation (Kielinger 36). With unemployment becoming an issue during the financial crisis, the Merkel Administration also implemented short-term work programs in order to keep citizens employed (Kielinger 35). These initiatives were extremely successful within Germany and were accredited to being implemented by the CDU/CSU coalition (Zohlnhofer 24). To further improve the German economy, the German government reduced taxes for middle-class citizens (Zohlnhofer 17). For example, the CDU proposed tax increases on both the incomes of higher-earning individuals and the stock market, but reduced taxes on the citizens in lower income tax brackets (Saalfeld 6). Another successful policy that was implemented during the Euro-crisis was the “Scrapping Bonus” car program (Zohlnhofer 24). If individuals were willing to trade-in their old cars, this program enabled car buyers to receive a credit of up to 2,500 Euros on their next car purchase (Zohlnhofer 24). As a result, this program led to a 20% increase in consumer spending on new cars; therefore, it was extremely successful in increasing the domestic demand and consumption in the German car market (Zohlnhofer 24).

**MERKEL’S PRAGMATIC LEADERSHIP AND KILLER POLITICAL INSTINCTS**

With Merkel implementing both unpopular international economic policies and popular domestic economic policies, it is apparent that economic conditions cannot be the sole explanation of Merkel’s historic popularity. However, a comprehensive study of Merkel’s leadership style may explain her enormous popularity. As a leader, Merkel has been characterized as having a subtle and subdued leadership style (Yoder 371). This subtle leadership style is highlighted by Merkel’s calculated, practical, and systematic decision-making abilities (Reutter 218). While she will at times make ideological stances on certain issues, Merkel often employs a pragmatic, centrist ideological approach in finding solutions to issues (Olsen 349). Since she continually avoids committing herself to certain policies, some critics contend that Merkel’s managerial style slows important policy decisions and causes political gridlock (Olsen 349). In fact, critics use Merkel’s slowed Euro bailout response as a prime example of one of the negative effects of this managerial style (Olsen 350). Besides causing political gridlock, critics also claim that Merkel’s leadership style contradicts the CDU’s constituents’ desires (Olsen 350). For example, in trying to compromise amongst the various German political parties, Merkel failed to deliver on one of her major campaign promises: environmental regulation reform (Olsen 350). However, Merkel’s centrist approach provides her with numerous political advantages that outweigh any negative aspects of her leadership style. This centrist appeal aids Merkel in enhancing political compromise amongst the various German political parties (Olsen 349). Since she avoids committing to one particular political stance, Merkel is able to choose the policy decision that is the most popular amongst German citizens (Olsen 349). Besides improving political compromise, Merkel’s wait-and-see approach provides her with the opportunity to adapt quickly to changing situations (Olsen 349).

Besides enabling Merkel with numerous political advantages, Merkel’s subtle leadership style has enabled her to develop a superior political intelligence. In fact, to many of her colleagues, Merkel is known for being an extremely successful and smart politician (Dempsey 1). While some criticize Merkel for lacking long-term political vision, Merkel is immensely skilled in using negotiations to resolve critical issues (Dempsey 1). In face-to-face conversations, Merkel is a dominate persuader (Olsen 349). When negotiating, Merkel speaks very frankly in a business-like manner (Yoder 367). Journalists have criticized Merkel for having an uninspiring and mind-numbing speaking ability (Olsen 350). To these critics, Merkel has failed to enhance the German government’s perceived credibility, because she has been unable to use her emotions to inspire the nation (Olsen 350). With that said, Merkel’s frank speaking style is quite beneficial and very popular amongst the German public (Olson 350). Speaking in this business-like manner enables Merkel to make her concerns public without being overly emotional (Yoder 367). By not being overly emotional, Merkel’s policy suggestions are taken more seriously which aids in enhancing her credibility (Yoder 367). In fact, with this persuasion power, Merkel has been able to enjoy more institutional party power within the CDU (Olsen 349). For instance, as German Chancellor, Merkel has been able to initiate new reforms in family politics that would have been previously unable to pass with just the support of the CDU (Olsen 350). Additionally, Merkel negotiated with the SPD to implement important reforms to the Hartz IV Act in order to increase bureaucratic transparency in an attempt to satisfy German citizens (Olsen 350). As well as listening to policy suggestions from fellow political parties, Merkel uses the media to gauge the opinions of the public in order to ensure her policy proposals meet society’s desires (Yoder 365). Through the media, Merkel is often able to obtain public consensus that supports and rationalizes her conclusions (Yoder 365). With the increase in media usage within German politics, German citizens have begun recognizing Merkel as one of Germany’s most popular chancellors (Olsen 356). In fact, during her tenure as German Chancellor, Merkel has consistently enjoyed high approval ratings from the German public (Olsen 344).

Within the international realm, Merkel’s leadership style has also allowed her to wield enormous influence in shaping world events. Since taking office, Merkel has been able to effectively persuade and convince world leaders to compromise on important issues (Yoder 364). Along with this ability to compromise and negotiate, the Merkel Administration has been complimented for becoming extremely transparent (Yoder 364). For instance, Merkel has set-up an agency to monitor the effectiveness of all bureaucratic agencies with the European Union (Paterson 20). With the development of this agency, the European Union has reduced bureaucratic costs and bureaucratic corruption (Paterson 20). With this transparency, Merkel has been credited for keeping mistakes to a minimum and has avoided committing repeated mistakes (Yoder 364). This efficiency has led to an enhanced respect for Germany from various international leaders (Yoder 364). For instance, in its Top 100 Most Powerful Women in the World Poll done by Forbes Magazine, Merkel was voted as the most influential woman in the world in 2006, 2007, 2008, and 2009 (Yoder 366). Additionally, also voted by her peers, Merkel won the Charlemagne Prize for European Union leadership in 2008 (Yoder 366).

**BREAKING STEREOTYPES**

Furthermore, besides the intangible qualities of Merkel’s leadership style, many scholars point out the distinct personal characteristics that have made Merkel popular. For instance, while there have been various theories on the effects of gender on leadership style, Merkel has shown that gender does not dictate her leadership style (Yoder 362). As a leader, Merkel has continually advocated a centrist platform that allows the CDU to engage in both aggressive and passive policies (Yoder 362). Furthermore, Merkel’s childhood in the authoritarian state of East Germany has enabled her to have a profound appreciation for individuals’ liberties (Yoder 363). Having witnessed the economic stagnation of a centrally-controlled economy, Merkel now advocates for a neoliberal, transatlantic free-trade zone between the European Union and the United States (Yoder 364). These proposals have become very popular within the American and German public as both sides can see the economic benefits (Yoder 364). Another example of Merkel’s East German background affecting her leadership style can be seen in her approach to improving the European Union (Yoder 367). In her vision of an enhanced European Union, Merkel is pushing for the integration of smaller nations’ interests in an attempt to provide balanced representation (Yoder 367). Specifically, Merkel has attempted to highlight the need to improve the social conditions and enhance the political freedoms within smaller European Union nations (Paterson 21). Besides affecting Merkel’s policies within the European Union, her experience within a police state has encouraged Merkel to criticize all nations that disregard individuals’ political freedoms (Yoder 367). For instance, when fighting erupted within Georgia in 2008, Merkel condemned and criticized the Russian government (Miskimmon 22). Additionally, on a trip to China, Merkel raised concerns about the amount of pollution created by Chinese industries (Miskimmon 23). In pushing social issues to the forefront, Chancellor Merkel has attempted to integrate minorities within mainstream society by promoting human rights and individual liberty (Yoder 365).

**GERMANY’S ECONOMIC CULTURE**

Nevertheless, simply describing Merkel’s leadership style does not necessarily explain what makes this leadership style so popular. Instead, a comprehensive examination of the German culture must accompany the description of Merkel’s leadership style in order to understand its success within the German political arena. Germany holds a “Social Market” economic development view that emphasizes the need for free market activity (Bohne and Eelke 9). The German government has the obligation to provide the rules on individuals’ property rights (Bohne and Eelke 9). However, while the focus is on free markets, there are often market failures for which German citizens believe the government has the right to intervene and correct (Bohne and Eelke 9). Moreover, using Hofstede’s Big Five Personality Traits Theory, it is apparent that Germany’s economic structure aids in explaining the German culture’s unique scores in power distance and uncertainty avoidance (Bohne and Eelke 9). The German culture, as a whole, has a low score in power distance and a medium score in uncertainty avoidance (Bohne and Eelke 9). Higher scores in both of these traits indicate a negative attitude towards the free market; therefore, Germany’s lower scores in both of these two traits explain the German culture’s acknowledgment of the need for free markets (Bohne and Eelke 9). Furthermore, Germany’s low score in power distance indicates that government intervention within the free market must be rationalized before citizens deem it necessary (Bohne and Eelke 10). Additionally, a medium score in uncertainty avoidance indicates that German residents are only moderately comfortable with market-led solutions (Bohne and Eelke 10).

While the majority of German citizens hold positives perceptions of the European Union, there are also German citizens who have some skepticism about the practicality and benefits of the European Union (Hartleb 14). With this skepticism, many German citizens believe that the German government should solely focus on Germany’s own domestic interests (Hartleb 14). Within Germany, right-wing euroskepticism is more aggressive in criticizing European integration, because these individuals believe that enhanced integration leads to a loss of Germany’s national identity (Hartleb 15). Left-wing euroskepticism accepts the cultural integration of the European Union, but it critiques the concept of economic globalization within Europe (Hartleb 15). These individuals object to transferring further autonomy and sovereign power with the creation of a European fiscal union (Hartleb 16). For example, the most notable euroskeptic party is the Christian Social Union (CSU), who has formed multiple governing coalitions with the CDU after various Bundestag elections (Hartleb 16). CSU leaders believe that the European Union was introduced too quickly; thus, there are structural problems within the European Union (Hartleb 16). These structural problems could lead to the European Union accidently generating elitism within Europe that undermines democratic principles (Hartleb 16). Today, the CSU has campaigned to deter further fiscal integration, because CSU leaders feel it will cause Germany to lose security and cultural identity (Hartleb 16). Recently, the Left Party has become another successful euroskeptic party (Hartleb 22). For instance, in the 2005 election, the Left Party had a breakout year by winning 8.7% of the seats in the Bundestag (Hartleb 22). Due to the inequality created by its capitalistic nature, the Left Party opposes the European Union (Hartleb 22). Instead, this party advocates for Germany to focus on a creating a Marxist economy that pursues its own domestic interests (Hartleb 22). With a few left-wing and right-wing parties associated to euroskepticism, the German citizens tend to be weary of Germany’s involvement within the European Union (Bohne and Eelke 11).

Subsequently, with Germany having such a unique economic culture, Merkel has been able to use her pragmatic leadership style to implement policies that have been very popular amongst the German public. With the Euro losing up to 20% of its value in the late 2000s, one would assume that Merkel would not be reelected in 2009 (Bohne and Eelke 7). However, in explaining Merkel’s reelection after the 2009 Bundestag election, four possible hypotheses can be used to explain the German voting patterns that occurred during this financial crisis (Rattinger and Steinbrecher 130). The incumbency hypothesis states that general economic conditions affect how society perceives government actions (Rattinger and Steinbrecher 130). If Germany was still prospering during the Euro-crisis, then the controlling government would be evaluated positively (Rattinger and Steinbrecher 130). On the contrary, if Germany was hurt by the financial crisis, then German voters would be compelled to vote for a new governing party (Rattinger and Steinbrecher 130). As stated before, Germany had actually benefitted the most from the formation of the European Union; therefore, its exports continued to grow during the financial crisis (Jones 31). In fact, the CDU coalition held high approval ratings as 60% of German citizens believed that the government was handling the Euro-crisis well (Saalfeld 1). Moreover, Merkel used her centrist approach to also implement policies that aided in Germany’s export growth (Zohlnhofer 24). For example, as German Chancellor, Merkel implemented the “Scrapping Bonus” car program that provided individuals with an incentive to buy German cars (Zohlnhofer 24). With the German car industry employing most of the German workforce, this program aided in maintaining German citizens’ living standards and helped grow the German car industry by 20% (Zohlnhofer 24).

In addition to the incumbency hypothesis, the policy hypothesis is another common economic theory used to explain voting in times of economic crises (Rattinger and Steinbrecher 130). The policy hypothesis states that government performance under poor economic conditions are only relevant to the voters who don’t agree with their policies (Rattinger and Steinbrecher 130). Since particular parties are attributed to being the best at solving “pet” issues, constituents vote for the parties they believe improve the economy (Rattinger and Steinbrecher 130). For instance, since inflation, debt, and the fear of economic stagnation were the main economic problems associated with the Euro-crisis, this hypothesis would predict increased voting for the Conservative parties who are associated to having an enhanced expertise on these issues (Rattinger and Steinbrecher 130). Conservative parties, like the CDU, are often accredited with having the ability to improve economic conditions, while liberal parties, like the SPD, are often accredited with having the ability to improve social conditions (Rattinger and Steinbrecher 130). Knowing the CDU would be accredited with improving Germany’s economy, Merkel implemented a variety of policies that improved Germany’s economy. For instance, Merkel used bailout initiatives to aid in reforming the country’s banking sector (Zohlnhofer 14). Merkel also used her centrist approach to get the support needed to implement federal mandates that required the government to maintain balanced budgets (Kielinger 35). Likewise, Merkel was also willing to cross party lines in providing bailouts to important German industries (Zohlnhofer 24).

Furthermore, the personal experience hypothesis and the national assessment hypothesis aid in explaining the special connection between Merkel’s leadership style and Germany’s economic culture. The personal experience hypothesis states that individuals’ personal economic experiences lead to certain voting behaviors (Rattinger and Steinbrecher 131). With Merkel’s pragmatic leadership style leading to the implementation of short-term work programs and tax breaks, German citizens’ personal economic situations were improved during the Euro-crisis (Rattinger and Steinbrecher 131). For example, the short-term work programs aided in keeping unemployment low, while the tax breaks helped the middle-class retain their purchasing power (Saalfield 6). Conversely, the national assessment hypothesis states that constituents vote largely on their impressions of national economic conditions (Rattinger and Steinbrecher 131). Through German polling, it is apparent that the majority of German residents held positive views of the economy during Merkel’s tenure (Rattinger and Steinbrecher 135). Feeling secure under the current government, citizens went to the polls during the 2009 Bundestag elections intending to reelect the CDU (Rattinger and Steinbrecher 135).

In summary, Merkel’s unique leadership style led to the implementation of various policies that complement the German culture. By having such a pragmatic leadership style, Merkel understood that citizens would be voting based on their perceived economic conditions (Rattinger and Steinbrecher 144). Therefore, Merkel made every attempt to enhance Germany’s domestic economy (Rattinger and Steinbrecher 144). For instance, Merkel often used her centrist approach to cross party lines in order to implement these successful policies (Rattinger and Steinbrecher 144). Under Merkel’s leadership, the domestic economic crisis was deterred as the CDU appeared to be competent, proactive leaders (Rattinger and Steinbrecher 144). Within the international realm, Merkel represented the German culture well by refusing to automatically implement bailout measures (Rattinger and Steinbrecher 144). Having successfully used her leadership position to represent the German public and to improve their lives financially, Merkel has become the most popular German political figure.

**GERMANY’S CHANGING POLITICAL STRUCTURE**

The changing German political system also helps in explaining Merkel’s immense popularity. For decades, the two major catch-all parties, the CDU and the SPD, dominated German politics (Jun 200). However, with modernization now occurring within German politics, German catch-all parties are losing tremendous political power (Jun 200). When casting their vote, German constituents often compare their own personalities to the political candidates’ personalities (Schoen and Schumann 472). Thus, catch-all parties typically pursue political strategies that appeal to citizens whose ideological beliefs are at the center of the political spectrum (Jun 203). Since these constituents tend to be middle-class voters who make up the largest voting bloc within Germany, the catch-all parties have been extremely successful (Jun 203). Traditionally, German citizens, who are characterized by higher levels of openness and neuroticism, have been more inclined to vote for the left-wing SPD (Schoen and Schumann 482). On the other hand, German citizens, who are characterized by higher levels of conscientiousness, normally vote for the right-wing CDU (Schoen and Schumann 482). Besides voting based on personal similarities, German citizens also attach certain political strengths to the various political parties (Schoen and Schumann 472). Thus, parties are then pushed to represent certain ideological beliefs (Schoen and Schumann 475). When domestic issues arise, these “pet” issues become important in determining voting patterns as German citizens tend to vote for the party they believe will solve these problems (Schoen and Schumann 472). For example, the CDU holds more conservative views on social issues, but favors free market approaches to the economy (Schoen and Schumann 477). Conversely, the SPD holds more liberal stances on social issues, but favors government-led economic development (Schoen and Schumann 478).

Nonetheless, the 2009 Bundestag election results revealed that both the CDU and the SPD lost their largest voting totals since 1949 (Jun 200). The German society is no longer finding the SPD or the CDU entirely credible (Jun 211). In fact, only 58% of German constituents voted for either of the two catch-all parties in the 2009 election (Saalfield 4). With an 11% loss in the voting for the SPD, over three million people, who previously voted for the SDP in the 2005 election, had switched their votes to other like-minded parties (Decker and Sonnicksen 106). Additionally, the CDU/CSU’s total voting share dropped from 35% in 2005 to 33% in 2009 (Saalfeld 4). Thus, approximately one million voters either abstained from voting for the CDU or switched to voting for the FDP (Decker and Sonnicksen 106). The lack of voting for the CDU and the SPD can be explained by examining the make-up of these two political parties (Jun 200). For example, older Caucasian males make up the largest sector of the party members within both parties (Jun 200). Since most members are over the age of sixty, the CDU and the SPD are disenfranchising younger populations who do not want to join political parties that contain only old men; thus, these younger populations have begun joining smaller, newer parties (Jun 210). Consequently, popular political trends are now being represented by smaller parties that have been able to attract younger and more radical ideological members of society (Jun 208). Women are also underrepresented in both catch-all parties (Jun 210). For instance, women make up only 25% of the CDU and 30% of the SPD (Jun 210). Another source of the deteriorating credibility associated with these two major parties is their inabilities to form successful coalitions (Decker and Sonnicksen 108). While the conservative parties can agree to form coalitions amongst themselves, the left-wing parties have been unable to cooperate amongst one another to form coalition governments (Decker and Sonnicksen 108). This inability to cooperate also aids in pushing constituents to vote for parties they are confident will compromise (Decker and Sonnicksen 105).

Given these political shifts, it has become apparent that the evolving German party structure is causing the German political system to change. For example, due to the doubt in the credibility of catch-all parties, party leadership is now the most important characteristic of each party (Jun 208). Party leaders are no longer being defined by their party affiliations; instead, their personality and leadership style is defining the parties’ perceived popularity (Jun 208). Thus, party leadership has now become the most influential characteristic in garnering the median voter (Jun 208). Since catch-all parties rely on these middle voters, they have given increased authority/power to party leaders (Jun 208). As such, party leaders now have more flexibility in their ability to disregard the concerns of more extreme party members (Jun 208). In all, a party leader, who can appeal to the public by enacting successful policies, can not only increase their party’s perceived credibility, but can also enhance voter trustworthiness (Jun 219).

Moreover, these political changes are giving Merkel the opportunity to have immense success in implementing popular policies. With power being shifted from the collective party to the individual party leader, Merkel has had more autonomy and authority to implement policies (Jun 219). This institutionalized power gives Merkel the ability to use her pragmatic approach in solving solutions (Jun 219). Additionally, by not being tied too closely to her party’s constituents’ wishes, Merkel has been able to cross party lines more effectively and efficiently in finding plausible solutions (Jun 219). In compromising to find solutions, Merkel has been able to truly use a centrist approach that appeals to the majority of German voters (Jun 219). In fact, with little difference in their ideologies, Merkel has made it hard for the SPD to campaign against the CDU’s perceived inability to adapt to changing social values (Decker and Sonnicksen 113). In conclusion, the changing party and political structure within German politics has given Merkel the opportunity to not only become electorally successful, but also very popular.

**POST-2009 ELECTION AND THE 2013 ELECTION**

Having established the reasons for Merkel’s popularity, it is apparent that Merkel will continue to have electoral success in the future. With a decrease in the popularity of the FDP, conservative voters, who switched from voting for the CDU to voting for the FDP in the 2009 election, will return to their normal voting patterns in future elections (Poguntke 982). Additionally, with some department leaders choosing to leave the CDU and the CSU due to the lack of upward mobility within the parties, Merkel is enjoying unrivaled control of her party (Poguntke 982). This unrivaled control of the party enhances Merkel’s ability to implement the various political strategies and policies she deems necessary (Poguntke 982). Moreover, without competition, Merkel will continue to be the CDU’s candidate for German Chancellor in future elections (Poguntke 982). In addition, during her campaign for the 2013 Bundestag election, Merkel has taken popular stances to deter future financial crises (Morris). For example, to avoid further financial crises, Merkel has repeatedly pronounced the need for the enforcement of the European Union’s new member standards (Morris). Merkel has also campaigned on a platform that advocates for the reformation of the European Union’s fiscal entrance policies (Morris). Thus, by attempting to enforce stricter fiscal policies, Merkel hopes to avoid the use of future bailout packages (Morris). Deterring future bailouts will enhance Merkel’s perceived credibility and popularity within Germany (Morris). While Merkel’s tenure since her reelection has been relatively successful, Merkel has not been immune to criticism. For instance, Merkel has initiated a highly controversial renovation of a local European railway, which has sparked debates and demonstrations inside of Baden-Wurttemberg (Poguntke 983). Merkel has also suspended her campaign promise to rid Germany of all nuclear power usage (Poguntke 983). Due to these failed campaign promises, Merkel has found it more difficult to compromise with certain political parties (Poguntke 983). In fact, Merkel attempted to reform Germany’s social security system, but found it difficult to reach a compromise with the SPD and the Green Party due to these failed campaign promises (Poguntke 983).

Nonetheless, on September 22, 2013, Angela Merkel was reelected for a third term as German Chancellor. While voter turnout had previously decreased in the last two elections, voter turnout had increased by .7%; thus, 71.5% of eligible constituents went to the polls to vote in the 2013 Bundestag election (Egeler). The biggest winner of the 2013 election was the CDU with 34.1% of Germany’s total votes (“Federal Result”). With a 6.8% increase in their total votes from the 2009 election, the CDU attracted voters who had previously voted for the FDP (Egeler). Additionally, this increase in voting totals can also be explained by Merkel’s popularity as German Chancellor and the successful policies she implemented while in office (Morris). With a .9% vote increase from their 2009 election total, the CSU received 7.4% of the total vote (“Federal Result”). Likewise, the CSU’s voting total increased due to the decline in the popularity of the FDP, and Germany’s increased euroskepticism following the European financial crisis (Poguntke 982). The FDP received the largest decrease in votes as the party received only 4.8% of all votes (Egeler). This voting total resulted in a -9.8% decrease for the FDP party and left it under the 5% vote minimum (Egeler). Therefore, the FDP failed to receive representation within the Bundestag after the 2013 election ("Federal Result”). With the largest gains in the 2009 election, the FDP did not live up to its political expectations (Poguntke 982). Therefore, due to a stagnant economy, the FDP lost voters who switched to voting for the CDU and the CSU (Poguntke 982). On the left side of the political spectrum, the SPD claimed 25.7% of the voting total ("Federal Result”). Due to its ability to attract voters from the radical left, this voting total helped the SPD receive a 2.7% increase from their 2009 Bundestag election totals (Egeler). With a -3.3% decrease in voting totals since 2009, the Left Party received only 8.6% of the votes ("Federal Result”). The Left Party may have lost votes due to its inability to separate its views from the negative perceptions of socialism; therefore, it was difficult for the Left Party to attract voters. Moreover, the Green Party garnered 8.4% of the votes, which was a decrease of -2.3% from their 2009 voting levels ("Federal Result”). The Green Party may have lost votes due to its inability to keep the momentum of its grassroots movement from the last election. The Green Party’s conflicts with the popular CDU may explain why some of this momentum has been lost. In conclusion, with low voting totals for the FDP, the CDU and the CSU formed a Grand Coalition with the SPD in order to ensure a majority governing coalition (“Federal Result”). Consequently, since the CDU continues to be the primary governing party within the majority coalition, Angela Merkel will remain Chancellor (“Federal Result”).

**RISE OF GERMANY???**

As Germany continues to become wealthier during Merkel’s third term, German leadership will be forced to make significant decisions on Germany’s position within the international community (Dempsey 11). To become a world leader, Merkel must use her popular leadership style to rebuild Germany’s relationship with the United States, to support an integrated Europe, and to establish a security defense for all of Europe (Dempsey 11). Over recent years, Merkel’s relationship with the United States has become more ambiguous (Dempsey 4). While she had previously been close allies with President Bush, Merkel has not made a serious effort to become allied with President Obama (Dempsey 5). Although President Obama is popular within Germany, Chancellor Merkel and President Obama often clash due to their personality differences (Dempsey 5). Besides personality differences, Chancellor Merkel and President Obama have differing opinions on foreign policy issues that address the European Union’s future (Dempsey 5). Recently, this relationship has become further strained as the United States was caught spying on Germany (Dempsey 5). As Merkel remained quiet about the issue at first, she has now been openly criticizing and condemning the United States’ actions (Dempsey 5). However, in the future in order to further each nation’s prosperity, both leaders will be required to cooperate (Dempsey 5). For instance, Chancellor Merkel needs President Obama’s help in getting lobbyist groups within the United States to support investment in the various European bonds that aid in the European Union’s continued financial recovery (Dempsey 5). Conversely, President Obama needs German support in establishing a transatlantic free-trade-zone that could lead to increased trade for the United States (Dempsey 5). Although Europe has had little interest in securing a military presence, Merkel may need to pursue aggressive foreign policy strategies to ensure European security (Dempsey 6). Upon taking office, Merkel had intended to pursue security issues by investing in drone technology (Dempsey 6). However, after the public found out about this 500 million Euro investment, the German public condemned its political leaders for spending public funds without the public’s consent (Dempsey 6). Nevertheless, as one of the main leaders of the European Union, Germany must adopt a security doctrine to protect Europe (Dempsey 7). By adopting a security doctrine and forming militia units, the European Union would be able to have complete autonomy in defending its territory (Dempsey 7). Additionally, Merkel must continue to be critical of Russia’s oppressive media and human rights practices (Dempsey 9). Recently, Germany has been using its media to openly criticize the Russian government’s inequitable actions in an attempt to undermine its legitimacy (Dempsey 9). Furthermore, since economic integration has not lead to political integration between Germany and Russia, Merkel may have to examine new alliances that do not include Russia (Dempsey 10). For instance, while Germany had previously been Russia’s largest supporter in its attempt to join the European Union, Germany is now blocking their admission and has started focusing on bettering their relationship with Poland in order to enhance strategic interests (Dempsey 10).

**CONCLUSION**

While it would seem that the worsening Euro-crisis would have led to the election of a new governing coalition leader within the Bundestag, the CDU, with Merkel in control, has continually been reelected. This paper suggests that Angela Merkel’s unique leadership style has enabled her to create successful policies that have led to substantial increases in Merkel’s individual popularity and the support for the CDU. In order to show these effects, it has been this papers contention to tie her leadership style to the success of her policies. In particular, this paper has examined Merkel’s successful economic policies that have allowed Germany to prosper even through one of Europe’s worst financial crises. In exploring Merkel’s leadership style, this paper finds that her leadership style has been profoundly influenced by her personal values and skills. With an in-depth examination of Germany’s culture, it becomes apparent that there is a special connection between Germany’s societal values and Merkel’s leadership style. Besides Germany’s cultural values, the changing political arena within Germany further enhanced Merkel’s ability to remain popular and create successful policies. In conclusion, taking advantage of Germany’s changing political structure and the connection with society’s values, Merkel’s leadership style enabled her to implement successful policies that have had a greater impact on German voting than the effects of the Euro-crisis.

While this is the conclusion reached in this study, it will be important in future studies to complement this literature. In future studies, an examination of other variables, rather than just leadership style, could point to new reasons why Merkel has been extremely popular during her tenure as German Chancellor. One might also investigate how an economic crisis that occurs within other parts of the European Union might affect that nation’s leadership’s popularity. Moreover, one could research how economic crises within Germany affect other European Union members’ attitudes. This question is particularly interesting, because in this research German voters were not found to be mobilized to vote based on the European Union’s overall economic health. Instead, German citizens seemed to be only mobilized to vote for bailout packages when an economic crisis affected the German economy. Thus, it would be fascinating to see if other European Union members would be mobilized to implement policies (e.g. bailout packages) that would aid Germany during a crisis. Lastly, it will be important in the future to compare Germany’s low degree of voting based on economic issues to countries, like the United States, whose voting is highly correlated to economic health in order to explain cultural differences.

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