



To the point!



Cross-Asset- and Strategy-Research

Germany on the eve of elections – part 1

Electoral manifestos and growth: What the parties offer

Germany's economy remains mired in stagnation. In the midst of an election campaign heavily dominated by economic policy issues, every party is promising a fresh start towards economic recovery. This is understandable and welcome. But the question is, how much substance lies behind the average 24,000 words of the programs? What do the party platforms truly offer? Are these promises mere smoke and mirrors, or is there a genuine prospect that reforms could revitalize our economy?

Which party has the most growth-friendly program?

The analytical team at LBBW Research has taken on these questions by thoroughly examining the parties' election manifestos. At the end of 2024, we published the "[LBBW Stagnation Study](#)," in which we identified the causes of weak growth. Now, we take it a step further. We have analyzed the party platforms based on these growth inhibitors and rated their proposed solutions on a scale from 0 (= the issue is not addressed or a party's plan has a negative impact) to 4 (= it is a central aspect of the program, backed by plausible measures).

No party has apparently discovered the holy grail for growth. The conservative Union parties (CSU in Bavaria and CDU in the rest of Germany) and the liberal FDP have prominently featured the economy in their election campaigns. As expected, they score above average, though not exceptionally so. The parties on the political fringes, such as The Left (Die Linke) on the far-left and the Alternative for Germany (AfD) on the far-right, however, have fewer economic policy proposals. It might come as a bit of a surprise to some that the Greens (die Grünen) are among the front-runners at eye-level with the conservative parties. A closer look

Moritz Kraemer -- Chief Economist

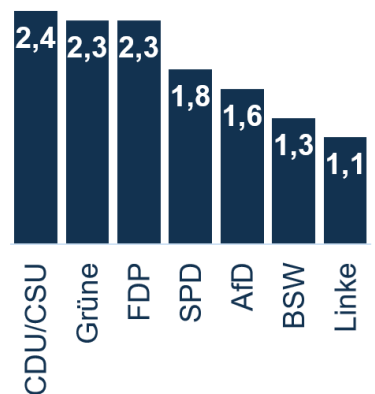
LBBWResearch@LBBW.de

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[Detailed study](#) (in German)

Economy as a central election campaign issue

Growth-friendliness of electoral programs



Source: LBBW Research
Unweighted average across all categories, scaling definition: see text.

at the detailed results reveals that this is mainly due to their focus on investment, structural change, education, and integration.

		Union	SPD	Grüne	AfD	BSW	FDP	Linke
External Influences	Export promotion	3,0	2,0	1,3	0,0	1,8	2,7	0,0
	Resource security	2,1	2,3	2,5	1,0	1,8	1,5	0,5
	Structural change promotion	2,4	2,4	3,0	0,5	2,0	1,3	1,8
Demographics	Extending working life	2,7	1,0	2,5	1,8	0,2	1,7	0,0
	Skilled worker recruitment	3,0	2,3	2,7	1,0	0,7	2,3	0,8
Government Action	Deregulation	3,3	1,9	2,3	3,0	1,8	3,5	0,0
	Taxes and levies	2,0	0,3	2,0	2,0	1,0	2,0	0,0
	Support for startups	2,4	1,3	2,0	1,2	1,8	1,7	0,0
	Work incentives	2,7	1,0	2,3	2,3	0,5	3,5	0,0
Infrastructure	Investment boost	1,9	3,3	3,2	1,5	2,5	1,3	2,0
	Process simplification	2,9	2,0	2,3	2,8	1,5	2,7	0,0
Education and Integration	Education investment	2,4	2,1	2,8	1,2	2,7	2,8	2,7
	Education structural reform	2,1	1,1	1,3	1,7	2,7	2,3	3,2
	Integration in the education sector	1,7	1,9	2,2	1,2	1,3	2,0	3,3
	Integration in the labor market	2,7	2,6	2,8	1,0	0,7	2,7	1,8
Mindset	Workforce participation incentives	2,6	1,0	2,5	3,0	1,3	3,0	1,7
	Asset building incentives	2,4	2,0	2,2	2,0	0,3	3,0	0,0
	Incentives for more full-time work	1,1	1,3	2,2	0,8	0,8	2,2	1,5

No party has a silver bullet in its arsenal

The Union parties and the FDP are similar in that both strongly address deregulation and the associated reduction of red tape for businesses and citizens. To achieve these goals, they propose practical measures. However, both parties face financial constraints when it comes to providing new resources for an investment push, as they remain committed to the debt brake.

While no party presents a program capable of breathing new life into the economy, all parties offer some constructive aspects. This is evident in the detailed analysis of policy areas. Given that no party is expected to be able to govern alone, it is to be hoped that a coalition will yield even better results.

One standout in the AfD's platform is [their call for an EU exit \("Dexit"\)](#). If implemented, this plan would be a severe blow to Germany's export-dependent economy. Thus, from an economic policy perspective, the AfD's program would essentially be a non-starter. However, apart from this self-destructive proposal, the AfD does contain some elements that could make sense in isolation, such as family income tax splitting and deregulation.

The AfD's plan of an EU exit is the most anti-growth idea of all parties

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