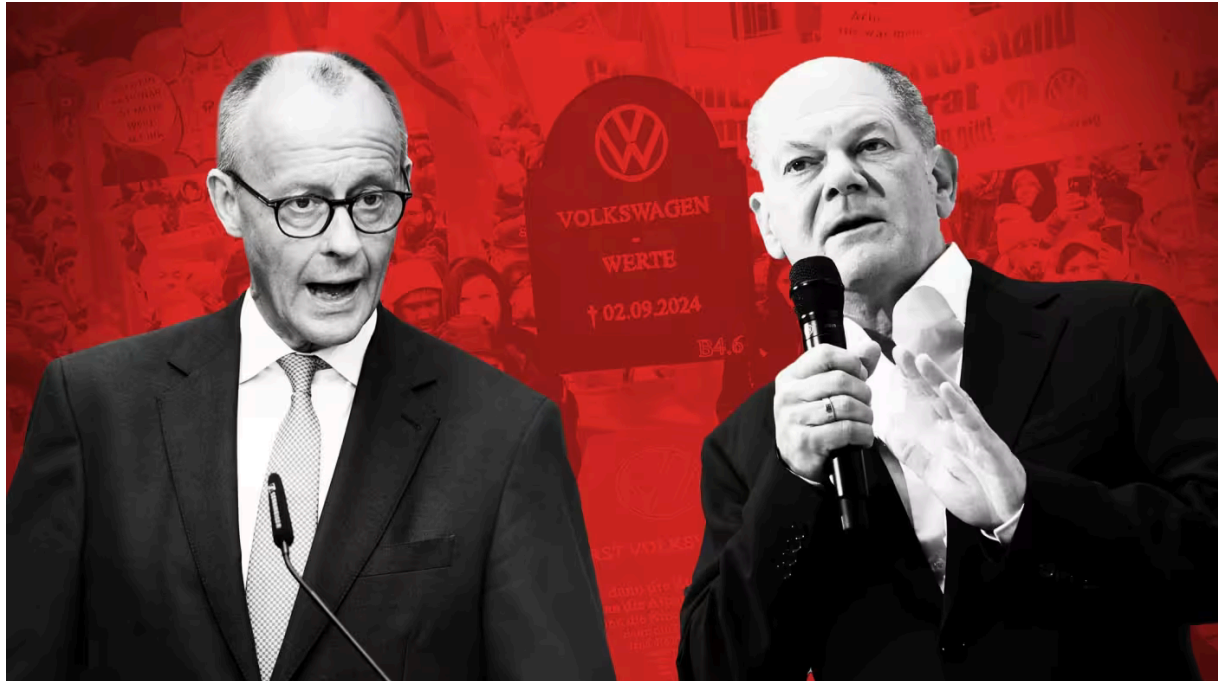


**German election****German job cuts darken mood of election campaign**

Snap February poll comes as Europe's largest economy faces its toughest challenges for decades



CDU leader Friedrich Merz, left, and the SPD's Olaf Scholz are fighting for the German chancellorship against a backdrop of industrial concern © FT montage/AP/Reuters/Getty Images

**Laura Pitel** in Berlin and **Patricia Nilsson** in Frankfurt YESTERDAY

A wave of industrial job cuts is setting a grim tone in the early stages of Germany's election campaign, with politicians describing the economic conditions as the most challenging they have ever faced for a federal vote.

In the month since [the collapse](#) of Chancellor Olaf Scholz's unhappy three-way coalition paved the way for a snap vote in February, some of the country's biggest employers have announced planned job losses, including 11,000 at steelmaker Thyssenkrupp, 3,800 at Bosch, the world's largest car parts maker, 2,800 at its rival Schaeffler and 2,900 at Ford.

The [lay-offs](#), following the threat of Volkswagen's first ever closures of German plants, will loom large over an election that is taking place as the country suffers its deepest economic slump since the early 2000s.

"I have rarely experienced a context as difficult as the one right now," said Achim Post, a member of the Bundestag for Scholz's Social Democratic party (SPD) in North Rhine-Westphalia, a key industrial region that has been hit by job cut announcements.

Pointing to a string of industrial cities across the country, Post said: “Every family that works in Duisburg, or in Stuttgart, or Leverkusen . . . is looking at itself and asking: ‘will I know at Christmas whether I still have a job next year?’ The mood is very difficult.”

Volkswagen workers hold a strike rally at the main VW plant in Wolfsburg © Julian Stratenschulte/POOL/EPA-EFE/Shutterstock

Record energy prices in the wake of Russia’s 2022 invasion of Ukraine, sluggish Eurozone growth and a Chinese push to flood European markets with rival products have dealt German industry a triple whammy of challenges. Europe’s biggest economy is also facing existential questions about whether it is about to suffer widespread deindustrialisation.

Germany’s carmakers — long a source of national pride — have been among the worst hit, also damaging the thousands of companies that supply them. VW staff on Monday began a series of walkouts as unions at the carmaker staged fierce resistance.

Yet the challenges go beyond the car industry. Chemicals giant BASF is among those to have warned of plans to downsize permanently in its home country.

“What we are currently seeing is a weakness not just in one sector of the economy, but in the German economy in general,” said Markus Uhl, an MP with the Christian Democrats (CDU) whose constituency in the state of Saarland has been hit by planned cuts at plants belonging to Schaeffler, Bosch, Thyssenkrupp as well as ZF Friedrichshafen, another auto supplier.

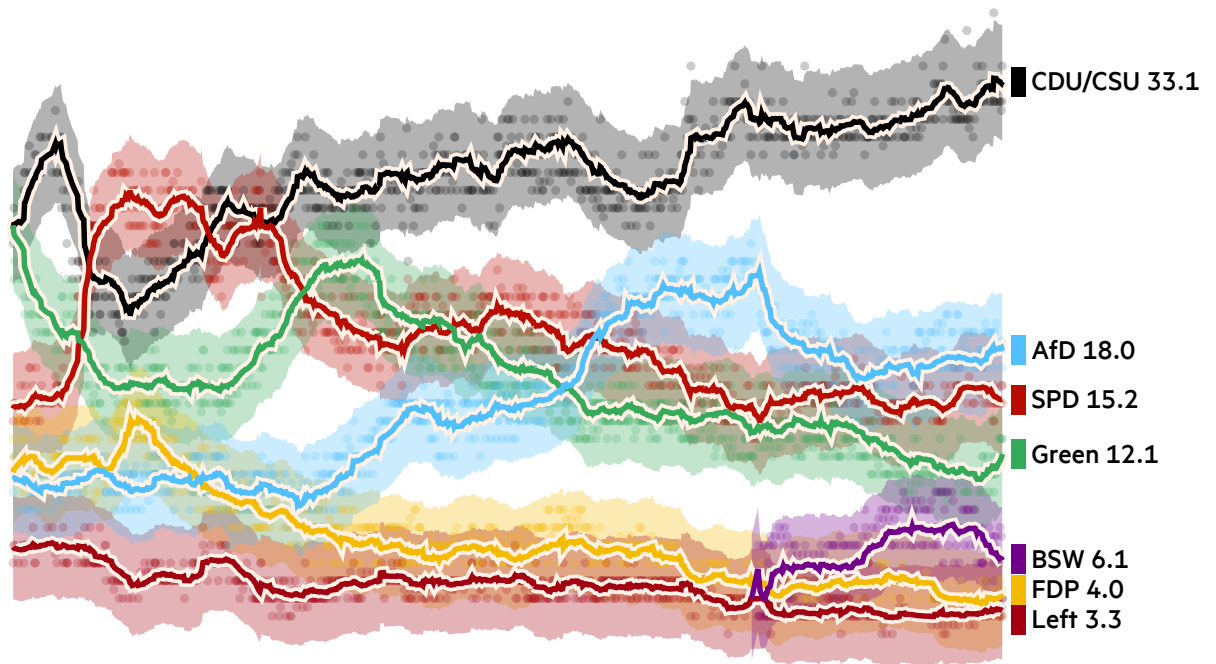
Saarland, which despite its large industrial base is one of the poorest west German states in terms of GDP per capita, came bottom in a recent nationwide survey of happiness levels.

“That is an expression of the great uncertainty that we are seeing,” he said. “The mood is tense.”

## Germany federal election poll tracker

### Voting intention (%)

Lines represent weighted moving averages, points represent polls. Shaded areas represent the range of likely values after accounting for sampling and industry errors



Source: [Wahlrecht.de](https://www.wahlrecht.de), FT research • Latest poll Dec 3

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Polling suggests that Uhl's CDU and its Bavarian sister party the CSU — traditionally seen by voters as the safest pair of hands on the economy — stand to gain from the upheaval, polling well ahead of rivals at around 33 per cent.

CDU leader and candidate for chancellor [Friedrich Merz](#) has acknowledged workers' anxiety while also striving to paint a hopeful picture for the future. He stressed last week that Germany "still has great strengths", adding: "We know the situation, we have got the measure of it and yet we're still confident that we can overcome it."

Scholz's SPD is trailing in third place on around 15 per cent — sharply down from its first-place finish with 26 per cent at the last election in 2021.

Ursula Münch, director of the Bavaria-based Academy for Political Education, expects the Social Democrats to make up some ground, describing them as "good campaigners". She said the party's messaging that the CDU would cut welfare payments to fund support for Ukraine would resonate with some.

But the party would struggle to convince people that it could fix the economy, she added. “No one is really convinced that they can succeed in this regard.”

Münch warned that the fearful climate posed a threat to all mainstream parties at a time when the far-right Alternative for Germany (AfD), which is second in the polls, and a new entrant, the far-left Sahra Wagenknecht Alliance (BSW), have claimed [successes in some recent regional elections](#).

“The question is whether the CDU/CSU can address this fear — or whether a large number of voters will go to the AfD or BSW,” she said.

Rafael Kriege, CDU chair in the western town of Pulheim, where some families will be hit by Ford’s closures in nearby Cologne, conceded that it was not just Scholz’s failed coalition that would face difficult questions. His own party ran the country for 16 years until 2021 under [former chancellor Angela Merkel](#).

“We will of course be confronted as to why we have not supported the automotive industry enough,” he said.

The labour market is not all bleak. Though economists expect the steady drumbeat of job losses to continue into 2025, paradoxically the total number of people in work has risen to a record high of more than 46mn. Some high-tech sectors continue to add new jobs and the country is suffering from acute labour shortages in fields such as childcare, healthcare and education.

Still, Stefanie Walter, professor of international relations and political economy at Zurich university, said the often poorly paid service-sector jobs might not help those who lose highly skilled, well-paid industrial roles.

She said that those affected by manufacturing cuts would be deprived not only of income and job security but would also suffer “a loss of recognition and status” — a factor that could drive support for populist parties that often successfully exploit such feelings.

Anxiety about the German economy was being compounded by the conflict in Ukraine and fears of a trade war under Donald Trump, creating “a level of uncertainty in global politics that I can’t [ever] remember”, Walter said.

Experts warn that the flood of gloomy news is unlikely to ease as polling day on February 23 nears. “More bad headlines are likely to roll in, said Robin Winkler, chief Germany economist for Deutsche Bank. “We are probably only halfway through the labour market adjustment.”

*Additional reporting by Guy Chazan and Ben Hall in Berlin*

*Data visualisation by Jonathan Vincent*

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